

December 26, 2023

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending February 29, 2024 (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 Quarterly Securities Report: January 11, 2024

Scheduled date to commence dividend payments: —

Preparation of supplementary material on quarterly 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 29, 2024 (from March 1, 2023 to November 30, 2023)

(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, 2023	819,094	15.5	286,562	11.5	30,684	48.5	30,677	52.6	29,848	62.0
November 30, 2022	709,468	15.1	256,941	8.2	20,659	132.6	20,100	356.1	18,426	786.3

	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, 2023	21,604	46.3	21,932	47.3	82.38	82.28
November 30, 2022	14,762	302.3	14,887	365.2	56.33	56.27

- * 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, 2023	1,140,910	385,163	373,120	32.7	1,422.66
February 28, 2023	1,120,953	371,410	359,385	32.1	1,370.43

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, 2023	—	15.00	—	16.00	31.00
Fiscal year ending February 29, 2024	—	16.00	—		
Fiscal year ending February 29, 2024 (Forecast)				17.00	33.00

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

3. Consolidated earnings forecasts for the fiscal year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

(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 29, 2024	1,131,000	13.2	405,500	12.7	42,500	71.0	40,000	109.9	38,500	128.2

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending February 29, 2024	27,000	89.6	102.95

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

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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, 2023	270,565,764 shares
As of February 28, 2023	270,565,764 shares

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

As of November 30, 2023	8,296,388 shares
As of February 28, 2023	8,323,612 shares

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

For the nine months ended November 30, 2023	262,255,642 shares
For the nine months ended November 30, 2022	262,071,758 shares

*** Quarterly financial results reports are exempt from quarterly 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 nine months (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. Qualitative information regarding results for the first nine months

(1) Explanation of operating results

(Millions of yen, %)	Nine months ended November 30, 2023 (from March to November)			(Reference) Third quarter of the fiscal year ending February 29, 2024 (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	819,094	109,626	15.5	278,961	33,624	13.7
Sales revenue	286,562	29,621	11.5	94,928	7,117	8.1
Gross profit	140,389	15,144	12.1	47,006	4,622	10.9
Selling, general and administrative expense	109,704	5,118	4.9	36,518	1,164	3.3
Business profit	30,684	10,025	48.5	10,487	3,458	49.2
Other operating income	2,856	98	3.5	1,038	600	137.0
Other operating expenses	2,863	(454)	(13.7)	533	(72)	(11.9)
Operating profit	30,677	10,577	52.6	10,993	4,131	60.2
Profit attributable to owners of parent	21,604	6,842	46.3	8,704	4,098	88.9

In the nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023), consolidated sales revenue was ¥286,562 million, up 11.5% year on year, operating profit was ¥30,677 million, up 52.6% year on year, and profit attributable to owners of parent was ¥21,604 million, up 46.3% year on year.

In addition, in the third quarter of the fiscal year ending February 29, 2024 (from September to November), sales revenue was ¥94,928 million, up 8.1% year on year, and operating profit was ¥10,993 million, up 60.2% year on year, resulting in increased revenue and profit continuing from the second quarter.

During the nine months ended November 30, 2023, the Japanese economy continued to show a moderate recovery mainly due to growth in accommodation and restaurant services and in inbound tourism demand amid further progress in social and economic activity normalizing, despite the impact of the increasing tendency of households to reduce spending due to rising prices, the slowdown in overseas economies and other factors.

Meanwhile, we recognize that we need to continue keeping a close eye on the risk of downward pressure on personal consumption due mainly to the outlook for domestic and overseas economies, which are affected by interest rate and exchange rate fluctuations, and to prolonged inflation.

In fiscal 2023, the final year of the Medium-term Business Plan, we have been accelerating the implementation of key strategies and measures in each business in order to surely capture domestic spending and inbound demand, which are beginning to recover, and to achieve a “prompt recovery in earnings power.”

Specifically, based on our “Real x digital strategy,” we promoted strategic investments to increase the attractiveness of our real stores in our Department Store Business and SC (Shopping Center) Business, with a focus on our flagship stores. We also worked to expand our online business, such as subscription services, and to strengthen promotion, such as by hosting large-scale mobilization events.

Under our “prime life strategy,” we worked to expand the “gaisho” (out-of-store sales) customer base in the Department Store Business, to further strengthen product categories that are highly supported by customers, and to develop new product and services. For initiatives in the area of art, in addition to expanding the gallery space in each store, disseminating information through owned media, and other initiatives, we invested in MAGUS Co.

For our “developer strategy,” under the new business promotion structure launched in March of this year, we have formulated and promoted medium- to long-term development plans, focusing on key areas in seven cities where we have a foundation, from the viewpoint of Group-wide optimization and effective utilization of held assets. As for the rental residence that was under development in Nagoya, tenants have now started to move in.

Furthermore, through a CVC (corporate venture capital) fund for business portfolio transformation with a view to 2030 and the creation of new businesses, we invested in WealthPark Co., Ltd. in order to develop and offer new services using digital technologies.

Results by segment are as follows.

Following the reorganization on March 1, 2023, real estate has been transferred from PARCO CO., LTD. to J. Front City Development Co., Ltd. As a result, results have been retroactively adjusted as if the transfer took place at the beginning of the fiscal year ended February 28, 2023 (as of March 1, 2022).

<Department Store Business>

(Millions of yen, %)	Nine months ended November 30, 2023 (from March to November)			(Reference) Third quarter of the fiscal year ending February 29, 2024 (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	168,428	16,490	10.9	56,041	5,713	11.4
Business profit	18,213	9,403	106.7	6,535	3,456	112.2
Operating profit	16,555	10,046	154.3	6,448	3,752	139.2

With regard to the performance of the Department Store Business in the nine months ended November 30, 2023, sales revenue was ¥168,428 million, up 10.9% year on year, and operating profit was ¥16,555 million, up 154.3% year on year.

As for the performance in the third quarter of the fiscal year ending February 29, 2024 (from September to November), sales revenue was ¥56,041 million, up 11.4% year on year, and operating profit was ¥6,448 million, up 139.2% year on year.

Sales revenue increased due mainly to the effect of strategies and measures, such as the response to a strong affluent market, in addition to sales from foreign tourists visiting Japan further growing.

By store, the Daimaru Shinsaibashi store and Daimaru Kyoto store, which had strong sales from foreign tourists visiting Japan, and the Daimaru Tokyo store and Daimaru Sapporo store, which are on terminal sites, saw significant improvements to customer numbers and sales. Operating profit increased despite increases in costs, such as an increase in variable costs associated with the improvement of sales revenue.

Based on our key strategies, we strengthened and renewed core categories such as luxury brands, mainly at flagship stores. During the third quarter under review, in September we completed a full-scale renovation of the restaurant floor at the Daimaru Kyoto store, and at the Sapporo store, a Louis Vuitton shop opened in November, becoming the second shop in the Sapporo City area. In addition, to strengthen the online business, we expanded our subscription services for fashion, art, food, etc., as well as worked on the creation of new customer experiences using digital technologies, such as the department store industry's first exhibition sales using a 3D avatar.

<SC Business>

(Millions of yen, %)	Nine months ended November 30, 2023 (from March to November)			(Reference) Third quarter of the fiscal year ending February 29, 2024 (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	42,576	2,948	7.4	14,573	1,314	9.9
Business profit	7,737	1,795	30.2	2,876	1,079	60.1
Operating profit	8,654	1,567	22.1	2,881	805	38.8

With regard to the performance of the SC Business in the nine months ended November 30, 2023, sales revenue was ¥42,576 million, up 7.4% year on year, and operating profit was ¥8,654 million, up 22.1% year on year.

As for the performance in the third quarter of the fiscal year ending February 29, 2024 (from September to November), sales revenue was ¥14,573 million, up 9.9% year on year, and operating profit was ¥2,881 million, up 38.8% year on year.

Sales revenue increased primarily due to an increase in the number of customers visiting stores and tenant transaction volume resulting from the effects of strategic remodeling centering on flagship stores and promotions such as unified plans for all stores, which we have promoted thus far, and an increase in the number of foreign tourists visiting Japan, including those visiting Shibuya PARCO and Shinsaibashi PARCO. Operating profit also increased from this improved sales revenue and a gain on sales of our properties.

In addition to Ikebukuro PARCO and Nagoya PARCO, renovations focused on “fashion,” “entertainment” and “food/lifestyle” were carried out at Sendai PARCO on the Main Building, which celebrated its 15th anniversary, aiming to increase the attractiveness of stores based on key strategies. We also welcomed large tenants and shops at Urawa PARCO under the themes of “proposing charming and quality lifestyles” and “comfortable daily living.” Furthermore, to increase the value of visiting stores, we worked to strengthen PARCO’s own promotion, such as by developing large-scale mobilization events for popular TV anime at each store, and for Shibuya PARCO, which is celebrating its 50th anniversary, we held an exhibition titled “The Advertisements (Advertising PARCO) 1969-2023” covering the history of creative advertising spanning over half a century.

<Developer Business>

(Millions of yen, %)	Nine months ended November 30, 2023 (from March to November)			(Reference) Third quarter of the fiscal year ending February 29, 2024 (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	50,836	10,354	25.6	17,069	2,695	18.8
Business profit	2,844	704	32.9	856	129	17.6
Operating profit	3,089	769	33.2	861	178	26.1

With regard to the performance of the Developer Business in the nine months ended November 30, 2023, sales revenue was ¥50,836 million, up 25.6% year on year, and operating profit was ¥3,089 million, up 33.2% year on year.

As for the performance in the third quarter of the fiscal year ending February 29, 2024 (from September to November), sales revenue was ¥17,069 million, up 18.8% year on year, and operating profit was ¥861 million, up 26.1% year on year.

Sales revenue increased due mainly to such factors as an increase in orders for hotel interior finishing and department store renovation work at J. Front Design & Construction Co., Ltd., and an increase in construction orders at PARCO SPACE SYSTEMS Co., Ltd. In addition to the above factors, operating profit also increased due to other factors, including the sale of real estate interests in the in-progress “Shinsaibashi project (tentative name)” to the specified purpose company that was jointly invested in.

Under the new business promotion structure launched in March of this year, we are formulating and promoting medium- to long-term development plans, focusing on key areas in seven cities where we have a foundation, from the viewpoint of Group-wide optimization and effective utilization of held assets. Together with the promotion of the redevelopment plans for the “Nishiki 3-25 District Project (tentative name)” in Nagoya’s Sakae area and the “Shinsaibashi project (tentative name)” in Osaka’s Shinsaibashi area in addition to Fukuoka’s Tenjin area, all of which are scheduled for completion and opening in 2026, in the third quarter under review, tenants have started moving in at the rental residence “Rafficia Kamimaezu,” which was under development in Nagoya.

<Payment and Finance Business>

(Millions of yen, %)	Nine months ended November 30, 2023 (from March to November)			(Reference) Third quarter of the fiscal year ending February 29, 2024 (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	9,834	125	1.3	3,100	(295)	(8.7)
Business profit	2,175	(756)	(25.8)	610	(489)	(44.5)
Operating profit	2,035	(905)	(30.8)	532	(554)	(50.9)

With regard to the performance of the Payment and Finance Business in the nine months ended November 30, 2023, sales revenue was ¥9,834 million, up 1.3% year on year, and operating profit was ¥2,035 million, down 30.8% year on year.

As for the performance in the third quarter of the fiscal year ending February 29, 2024 (from September to November), sales revenue was ¥3,100 million, down 8.7% year on year, and operating profit was ¥532 million, down 50.9% year on year.

Sales revenue increased in the nine months ended November 30, 2023 and decreased in the third quarter of the fiscal year ending February 29, 2024, primarily as there was an increase in affiliated store fees associated with increased transaction volume at department stores and external affiliated stores, while there was a decrease in annual membership fees and an increase in costs associated with increased point redemption. Operating profit decreased due to an increase in investment expenses for expanding the business foundation, which includes an increase in international brand fees and efforts to consolidate the Group's cards, and higher personnel expenses, etc., as well as due to an increase in unauthorized credit card use and other factors.

With the aim of expanding the customer base under these conditions, we promoted the expansion of card members and the use of card payment mainly by cooperating with the Department Store Business, and also held special events for card members to increase awareness of our unique point service "QIRA Points." In the Affiliate Store Business, in addition to the consolidation of affiliated stores contracts with Daimaru Matsuzakaya Department Stores Co. Ltd., we introduced acquisitions at the Group's commercial facilities, and in areas where the Group's stores are located, we strengthened our alliances with other companies' facilities and promoted increasing affiliated stores. In the Finance Business, aiming to expand our new products and services, we started offering a digital securities service through collaboration with another company in the third quarter under review.

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

(Millions of yen, %)	As of February 28, 2023	As of November 30, 2023	Change in amount
Current assets	201,860	272,815	70,955
Non-current assets	919,092	868,095	(50,997)
Total assets	1,120,953	1,140,910	19,957
Current liabilities	317,953	362,525	44,572
Non-current liabilities	431,589	393,221	(38,368)
Total liabilities	749,542	755,746	6,204
Equity attributable to owners of parent	359,385	373,120	13,735
Ratio of equity attributable to owners of parent to total assets	32.1	32.7	0.6
Total equity	371,410	385,163	13,753

Total assets as of November 30, 2023 was ¥1,140,910 million, an increase of ¥19,957 million compared with February 28, 2023. Total liabilities was ¥755,746 million, an increase of ¥6,204 million compared with February 28, 2023. Total equity was ¥385,163 million, an increase of ¥13,753 million compared with February 28, 2023.

(Cash flow position)

(Millions of yen)	Nine months ended November 30, 2022	Nine months ended November 30, 2023	Change in amount
Net cash flows from (used in) operating activities	46,799	61,431	14,632
Net cash flows from (used in) investing activities	(11,873)	15,341	27,214
Free cash flows	34,926	76,773	41,847
Net cash flows from (used in) financing activities	(75,003)	(40,688)	34,315
Net increase (decrease) in cash and cash equivalents	(40,077)	36,084	76,161
Cash and cash equivalents at beginning of period	93,278	39,874	(53,404)
Effect of exchange rate changes on cash and cash equivalents	254	117	(137)
Cash and cash equivalents at end of period	53,456	76,076	22,620

The balance of cash and cash equivalents (hereinafter “cash”) as of November 30, 2023 amounted to ¥76,076 million, up ¥36,202 million compared with February 28, 2023.

Cash flow positions in the nine months ended November 30, 2023 and the factors for these were as follows.

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

Net cash provided by operating activities was ¥61,431 million. In comparison with the nine months ended November 30, 2022, cash provided increased by ¥14,632 million, mainly due to an increase in profit before tax.

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

Net cash provided by investing activities was ¥15,341 million. In comparison with the nine months ended November 30, 2022, cash provided increased by ¥27,214 million, mainly due to proceeds from sales of shares of subsidiaries accounted for using equity method.

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

Net cash used in financing activities was ¥40,688 million. In comparison with the nine months ended November 30, 2022, cash used decreased by ¥34,315 million due to a rebound of redemption of bonds implemented in the previous year.

(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 29, 2024 announced in the consolidated financial results released on October 10, 2023.

2. Condensed quarterly consolidated financial statements and significant notes thereto

(1) Condensed quarterly consolidated statement of financial position

	As of February 28, 2023	As of November 30, 2023
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	39,874	76,076
Trade and other receivables	129,121	158,282
Other financial assets	10,836	11,627
Inventories	16,932	19,989
Other current assets	5,094	6,839
Total current assets	201,860	272,815
Non-current assets		
Property, plant and equipment	469,401	461,316
Right-of-use assets	119,501	104,543
Goodwill	995	995
Investment property	187,247	181,732
Intangible assets	7,797	8,155
Investments accounted for using equity method	41,402	23,378
Other financial assets	79,711	74,656
Deferred tax assets	3,137	3,121
Other non-current assets	9,897	10,195
Total non-current assets	919,092	868,095
Total assets	1,120,953	1,140,910

	As of February 28, 2023	As of November 30, 2023
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	63,530	70,230
Trade and other payables	133,835	160,541
Lease liabilities	28,411	27,926
Other financial liabilities	29,975	28,387
Income tax payables	1,527	7,856
Provisions	2,397	1,215
Other current liabilities	58,276	66,367
Total current liabilities	317,953	362,525
Non-current liabilities		
Bonds and borrowings	185,593	168,319
Lease liabilities	136,414	117,831
Other financial liabilities	35,290	34,866
Retirement benefit liabilities	16,754	17,047
Provisions	8,699	8,040
Deferred tax liabilities	48,366	46,694
Other non-current liabilities	469	421
Total non-current liabilities	431,589	393,221
Total liabilities	749,542	755,746
Equity		
Capital	31,974	31,974
Share premium	189,068	189,106
Treasury shares	(14,466)	(14,231)
Other components of equity	10,654	8,942
Retained earnings	142,153	157,328
Total equity attributable to owners of parent	359,385	373,120
Non-controlling interests	12,025	12,042
Total equity	371,410	385,163
Total liabilities and equity	1,120,953	1,140,910

(2) Condensed quarterly consolidated statement of profit or loss

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
	Millions of yen	Millions of yen
Sales revenue	256,941	286,562
Cost of sales	(131,695)	(146,173)
Gross profit	125,245	140,389
Selling, general and administrative expense	(104,586)	(109,704)
Other operating income	2,758	2,856
Other operating expenses	(3,317)	(2,863)
Operating profit	20,100	30,677
Finance income	676	1,394
Finance costs	(4,007)	(3,478)
Share of profit (loss) of investments accounted for using equity method	1,657	1,254
Profit before tax	18,426	29,848
Income tax expense	(3,658)	(8,166)
Profit	14,767	21,681
Profit attributable to:		
Owners of parent	14,762	21,604
Non-controlling interests	5	76
Profit	14,767	21,681
Earnings per share		
Basic earnings per share (Yen)	56.33	82.38
Diluted earnings per share (Yen)	56.27	82.28

(3) Condensed quarterly consolidated statement of comprehensive income

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
	Millions of yen	Millions of yen
Profit	14,767	21,681
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(88)	189
Share of other comprehensive income of entities accounted for using equity method	(7)	(75)
Total items that will not be reclassified to profit or loss	(96)	114
Items that may be reclassified to profit or loss		
Cash flow hedges	(39)	3
Exchange differences on translation of foreign operations	250	130
Share of other comprehensive income of entities accounted for using equity method	4	1
Total items that may be reclassified to profit or loss	215	136
Other comprehensive income, net of tax	119	250
Comprehensive income	14,887	21,932
Comprehensive income attributable to:		
Owners of parent	14,884	21,849
Non-controlling interests	3	83
Comprehensive income	14,887	21,932

(4) Condensed quarterly consolidated statement of changes in equity

Nine months ended November 30, 2022

	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, 2022	31,974	188,894	(14,780)	60	(1)	9,516
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	254	(39)	(86)
Total comprehensive income	—	—	—	254	(39)	(86)
Purchase of treasury shares	—	—	(6)	—	—	—
Disposal of treasury shares	—	(0)	0	—	—	—
Dividends	—	—	—	—	—	—
Obtaining of control of subsidiaries	—	—	—	—	—	—
Share-based payment transactions	—	59	322	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	68
Total transactions with owners	—	59	315	—	—	68
Balance at November 30, 2022	31,974	188,953	(14,464)	315	(41)	9,497

	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, 2022	—	9,574	134,705	350,368	11,751	362,120
Profit	—	—	14,762	14,762	5	14,767
Other comprehensive income	(7)	121	—	121	(1)	119
Total comprehensive income	(7)	121	14,762	14,884	3	14,887
Purchase of treasury shares	—	—	—	(6)	—	(6)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	(7,857)	(7,857)	(64)	(7,921)
Obtaining of control of subsidiaries	—	—	—	—	0	0
Share-based payment transactions	—	—	—	381	—	381
Transfer from other components of equity to retained earnings	7	75	(75)	—	—	—
Total transactions with owners	7	75	(7,932)	(7,482)	(63)	(7,546)
Balance at November 30, 2022	—	9,771	141,535	357,770	11,691	369,461

Nine months ended November 30, 2023

	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, 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					
	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, 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

(5) Condensed quarterly consolidated statement of cash flows

	Nine months ended November 30, 2022	Nine months ended November 30, 2023
	Millions of yen	Millions of yen
Cash flows from (used in) operating activities		
Profit before tax	18,426	29,848
Depreciation and amortization expense	36,935	34,872
Impairment loss	1,293	993
Finance income	(676)	(1,394)
Finance costs	4,007	3,478
Share of loss (profit) of investments accounted for using equity method	(1,657)	(1,254)
Loss (gain) on sales of non-current assets	(93)	(733)
Loss on disposals of non-current assets	1,545	1,163
Decrease (increase) in inventories	(2,242)	(3,057)
Decrease (increase) in trade and other receivables	(39,187)	(27,880)
Increase (decrease) in trade and other payables	36,675	27,408
Increase (decrease) in retirement benefit liabilities	(2,019)	292
Decrease (increase) in retirement benefit assets	12	(86)
Other, net	3,078	2,874
Subtotal	56,099	66,525
Interest received	88	103
Dividends received	156	860
Interest paid	(4,025)	(3,487)
Income taxes paid	(7,586)	(4,450)
Income taxes refund	2,067	1,880
Net cash flows from (used in) operating activities	46,799	61,431
Cash flows from (used in) investing activities		
Purchase of property, plant and equipment	(6,303)	(5,759)
Proceeds from sales of property, plant and equipment	27	212
Purchase of investment property	(4,405)	(1,363)
Proceeds from sales of investment property	240	4,014
Purchase of intangible assets	(2,020)	(2,523)
Purchase of investment securities	(798)	(1,434)
Proceeds from sales of investment securities	1,204	21,609
Proceeds from refund of guarantee deposits	2,211	2,332
Other, net	(2,027)	(1,746)
Net cash flows from (used in) investing activities	(11,873)	15,341
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	(24,000)	—
Net increase (decrease) in commercial papers	4,997	—
Proceeds from non-current borrowings	—	3,400
Repayments of non-current borrowings	(6,360)	(14,015)
Redemption of bonds	(20,000)	—
Repayments of lease liabilities	(21,825)	(21,630)
Purchase of treasury shares	(7)	(6)
Dividends paid	(7,849)	(8,378)
Dividends paid to non-controlling interests	(64)	(64)
Other, net	105	5
Net cash flows from (used in) financing activities	(75,003)	(40,688)
Net increase (decrease) in cash and cash equivalents	(40,077)	36,084
Cash and cash equivalents at beginning of period	93,278	39,874
Effect of exchange rate changes on cash and cash equivalents	254	117
Cash and cash equivalents at end of period	53,456	76,076

(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, supervision, operation, interior decorating work, etc. of real estate. The Payment and Finance Business undertakes issuance and administration, etc. of credit cards.

Following the reorganization on March 1, 2023, real estate has been transferred from PARCO CO., LTD. to J. Front City Development Co., Ltd. As a result, results of the SC Business and Developer Business for the previous year have been retroactively adjusted as if the transfer took place at the beginning of the fiscal year ended February 28, 2023 (as of March 1, 2022).

(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, 2022

	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	151,629	38,801	30,914	6,008	227,353	29,588	256,941	–	256,941
Inter-segment revenue	308	826	9,568	3,701	14,405	11,213	25,618	(25,618)	–
Total	151,938	39,628	40,482	9,709	241,758	40,802	282,560	(25,618)	256,941
Segment profit	6,509	7,087	2,320	2,940	18,857	1,193	20,051	49	20,100
Finance income									676
Finance costs									(4,007)
Share of profit (loss) of investments accounted for using equity method									1,657
Profit before tax									18,426

- 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, 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	168,069	41,756	41,971	4,806	256,603	29,958	286,562	–	286,562
Inter-segment revenue	359	819	8,864	5,027	15,070	9,988	25,059	(25,059)	–
Total	168,428	42,576	50,836	9,834	271,674	39,947	311,622	(25,059)	286,562
Segment profit	16,555	8,654	3,089	2,035	30,334	1,163	31,498	(820)	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.