

April 14, 2025

## Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (under IFRS)

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

Listing: Tokyo Stock Exchange and Nagoya Stock Exchange

Securities code: 3086

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Scheduled date of annual general shareholders meeting: May 29, 2025

Scheduled date to commence dividend payments: May 8, 2025

Scheduled date to file Annual Securities Report: May 30, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation meeting: Yes (for institutional investors and analysts)

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

### 1. Consolidated performance for the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

|                   | Gross sales     |      | Sales revenue   |      | Business profit |      | Operating profit |       | Profit before tax |       |
|-------------------|-----------------|------|-----------------|------|-----------------|------|------------------|-------|-------------------|-------|
| Fiscal year ended | Millions of yen | %    | Millions of yen | %    | Millions of yen | %    | Millions of yen  | %     | Millions of yen   | %     |
| February 28, 2025 | 1,268,322       | 10.1 | 441,877         | 8.6  | 53,490          | 20.7 | 58,199           | 35.2  | 55,785            | 34.9  |
| February 29, 2024 | 1,151,972       | 15.3 | 407,006         | 13.2 | 44,330          | 78.4 | 43,048           | 125.9 | 41,343            | 145.0 |

|                   | Profit attributable to owners of parent |       | Total comprehensive income |      | Basic earnings per share | Diluted earnings per share |
|-------------------|---|-------|----------------------------|------|--------------------------|----------------------------|
| Fiscal year ended | Millions of yen                         | %     | Millions of yen            | %    | Yen                      | Yen                        |
| February 28, 2025 | 41,424                                  | 38.5  | 49,529                     | 60.1 | 160.35                   | 160.15                     |
| February 29, 2024 | 29,913                                  | 110.1 | 30,935                     | 88.6 | 114.06                   | 114.06                     |

|                   | Profit/shareholders' equity | Operating profit/total assets | Operating profit/sales revenue |
|-------------------|-----------------------------|-------------------------------|--------------------------------|
| Fiscal year ended | %                           | %                             | %                              |
| February 28, 2025 | 10.5                        | 5.1                           | 13.2                           |
| February 29, 2024 | 8.1                         | 3.9                           | 10.6                           |

- \* 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   |
| February 28, 2025 | 1,164,147       | 423,235         | 409,646                                 | 35.2   | 1,597.24  |
| February 29, 2024 | 1,114,726       | 394,232         | 381,898                                 | 34.3   | 1,453.71  |

## (3) Consolidated cash flows

|                                     | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                                     | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| Fiscal year ended February 28, 2025 | 85,812                               | (28,308)                             | (74,001)                             | 54,975                                     |
| February 29, 2024                   | 90,692                               | 13,429                               | (72,746)                             | 71,342                                     |

## 2. Cash dividends

|   | Annual dividends  |                    |                   |                 |       | Total cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends attributable to owners of parent (Consolidated) |
|---|-------------------|--------------------|-------------------|-----------------|-------|------------------------------|--------------------------------------|--|
|   | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |                              |                                      |  |
|   | Yen               | Yen                | Yen               | Yen             | Yen   | Millions of yen              | %                                    | %  |
| Fiscal year ended February 29, 2024             | –                 | 16.00              | –                 | 20.00           | 36.00 | 9,437                        | 31.6                                 | 2.5  |
| Fiscal year ended February 28, 2025             | –                 | 22.00              | –                 | 30.00           | 52.00 | 13,322                       | 32.4                                 | 3.3  |
| Fiscal year ending February 28, 2026 (Forecast) | –                 | 27.00              | –                 | 27.00           | 54.00 |                              | 44.7                                 |  |

\* For the year-end dividend for the fiscal year ended February 28, 2025, please refer to the “Notice Regarding Revisions to Dividend Forecasts,” which was disclosed today.

## 3. Consolidated earnings forecasts for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(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   | %      |
| First six months ending August 31, 2025 | 645,000         | 5.7 | 224,400         | 7.2 | 30,000          | (7.6) | 30,000           | (23.8) | 28,000            | (26.8) |
| Fiscal year ending February 28, 2026    | 1,316,000       | 3.8 | 459,000         | 3.9 | 54,000          | 1.0   | 50,000           | (14.1) | 45,500            | (18.4) |

|   | Profit attributable to owners of parent |        | Basic earnings per share |
|---|---|--------|--------------------------|
|   | Millions of yen                         | %      | Yen                      |
| First six months ending August 31, 2025 | 18,500                                  | (36.4) | 73.79                    |
| Fiscal year ending February 28, 2026    | 30,000                                  | (27.6) | 120.93                   |

Note: The Company has resolved on acquisition of own shares, etc. at a meeting of the Board of Directors held on April 14, 2025. The figures for “Basic earnings per share” in the consolidated earnings forecasts for the fiscal year ending February 28, 2026 take into account the impact of the acquisition of own shares. Please refer to “4. Consolidated financial statements and significant notes thereto (5) Notes to consolidated financial statements (Significant subsequent events)” on page 24 of the material attached to this financial results report for information on the acquisition of own shares.

\* **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 February 28, 2025 | 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 February 28, 2025 | 14,093,649 shares |
| As of February 29, 2024 | 7,858,962 shares  |

c. Average number of shares during the period

|   |                    |
|---|--------------------|
| For the fiscal year ended February 28, 2025 | 258,336,126 shares |
| For the fiscal year ended February 29, 2024 | 262,260,084 shares |

**<Reference> Non-consolidated performance****Non-consolidated performance for the fiscal year ended February 28, 2025  
(from March 1, 2024 to February 28, 2025)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

|                   | Operating revenue |      | Operating profit |       | Ordinary profit |      | Profit          |        |
|-------------------|-------------------|------|------------------|-------|-----------------|------|-----------------|--------|
| Fiscal year ended | Millions of yen   | %    | Millions of yen  | %     | Millions of yen | %    | Millions of yen | %      |
| February 28, 2025 | 20,727            | 25.5 | 10,878           | 27.4  | 9,973           | 14.1 | 11,087          | (35.7) |
| February 29, 2024 | 16,512            | 8.4  | 8,539            | (4.7) | 8,741           | 5.5  | 17,251          | 104.2  |

|                   | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Fiscal year ended | Yen                      | Yen                        |
| February 28, 2025 | 42.98                    | 42.93                      |
| February 29, 2024 | 65.82                    | 65.82                      |

**(2) Non-consolidated financial position**

|                   | Total assets    | Net assets      | Equity ratio | Net assets per share |
|-------------------|-----------------|-----------------|--------------|----------------------|
| As of             | Millions of yen | Millions of yen | %            | Yen                  |
| February 28, 2025 | 601,478         | 335,382         | 55.8         | 1,309.09             |
| February 29, 2024 | 639,463         | 345,175         | 54.0         | 1,316.73             |

Reference: Equity

As of February 28, 2025: ¥335,382 million

As of February 29, 2024: ¥345,175 million

&lt;Reason for difference compared with the previous fiscal year's actual non-consolidated performance&gt;

Operating revenue increased as a result of an increase in dividend income from subsidiaries, while profit declined due to the absence of gain on sales of shares of subsidiaries and associates recorded in the previous fiscal year.

**\* Financial results reports are exempt from audit 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) Consolidated earnings forecasts” on page 8 of the material attached to this 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 current fiscal year

### A. Operating results for the current fiscal year

| (Millions of yen, %)                           | Fiscal year ended<br>February 28, 2025 | Year-on-year changes |                         | Against October<br>forecasts |
|--|--|----------------------|-------------------------|------------------------------|
|  |  | Change in amount     | Change in<br>percentage | Change in amount             |
| Gross sales                                    | 1,268,322                              | 116,350              | 10.1                    | 18,322                       |
| Sales revenue                                  | 441,877                                | 34,871               | 8.6                     | 4,877                        |
| Gross profit                                   | 212,596                                | 17,080               | 8.7                     | 1,096                        |
| Selling, general and<br>administrative expense | 159,106                                | 7,921                | 5.2                     | (394)                        |
| Business profit                                | 53,490                                 | 9,160                | 20.7                    | 1,490                        |
| Other operating income                         | 11,831                                 | 8,158                | 222.1                   | 2,331                        |
| Other operating expenses                       | 7,122                                  | 2,167                | 43.7                    | (2,378)                      |
| Operating profit                               | 58,199                                 | 15,151               | 35.2                    | 6,199                        |
| Profit attributable to<br>owners of parent     | 41,424                                 | 11,511               | 38.5                    | 4,924                        |

The Japanese economy in the fiscal year under review exhibited signs of a gentle recovery with strengthening capital investment against the backdrop of improving corporate earnings, and the expansion of spending by foreign visitors to Japan, despite signs of weakness in parts of the economy including housing investment.

Personal consumption remained unstable with signs of stagnation in the improvement of consumer sentiment due to factors such as rising consumer prices, despite continuing improvement in employment and income conditions.

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.

The Company is promoting corporate activities that are aligned with “sustainability management” aimed at tackling environmental and social issues and finding solutions for them through business in order to realize the Group Vision of “Create and Bring to Life ‘New Happiness.’” Last spring, based on changes in the business environment the Company considers important and our strengths, we put forward our Vision for 2030, “Transformation into a ‘Value Co-creation Retailer’ continuing to provide the three values of co-creation primarily through our retail business.”

In this Medium-term Business Plan, we have positioned this period as a phase of change to ensure realization of the Vision for 2030 and achievement of medium- to long-term growth. As key strategies, we 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, mainly in the Department Store Business, we started the renovation of the Matsuzakaya Nagoya store to cultivate loyalty among existing customers and attract next-generation customers, with the aim of enhancing the appeal of customer contact points and further improving the store’s competitive superiority. The store reopened floor by floor starting in November 2024. We have also decided to promote a large-scale renovation of the Daimaru 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. Alongside introducing leading fashion brands, we expanded pop culture shops. In the anime and subculture fields in which PARCO excels, we worked on business development by leveraging the license of a popular manga to promote the expansion of content for the premium and aspirational consumer group.

In our efforts in expanding our customer base, we worked to expand app membership as well as enhanced the media functions of the app through updates and improvements. Also, to better cater for our overseas customer base, we built a communications platform for foreign visitors to Japan in the

Department Store Business and worked on mutual customer referrals through collaboration with domestic and overseas companies.

As part of efforts to evolve Group synergies, with the aim of maximizing area synergies particularly in our seven key areas, we renovated stores, mainly in the Nagoya Sakae area, and pressed ahead with development plans for The Landmark Nagoya Sakae for a scheduled opening in 2026. In the Shinsaibashi area, in addition to progressing the development of the “Shinsaibashi project (tentative name),” scheduled to open in 2026, we newly converted Shinsaibashi Kyodo Center Building, K.K., the company that owns the Daimaru Shinsaibashi South Building, into a subsidiary. Also, we made the decision to invest in a specified purpose company to acquire the adjacent building, Shinsaibashi Building (the former Kansai Urban Banking Corporation headquarters). We progressed plans to redevelop the Fukuoka Tenjin area through collaboration with other companies.

Based on the policy to reorganize and strengthen the interior design business and the building management business, the building management business of the Group was integrated into PARCO SPACE SYSTEMS Co., Ltd. in September 2024.

In the Payment and Finance Business, with the aim of expanding our base of the Group customers, we continue to consolidate card issuance operations within the Group, and we commenced the issuance of the new GINZA SIX card in April 2024 and new PARCO Card in February 2025.

In addition, we concluded an agreement with Komehyo Co., Ltd. in November 2024 to establish a joint venture company aimed at increasing the number of customer touchpoints and providing new value by entering the reuse market, which is expected to grow in the future. Also, for the purpose of seeking solutions to the business succession challenges of local communities and contributing to regional communities and discovering appealing regional content, we set up a business succession fund in partnership with other companies and invested in the first project.

As part of strengthening the Group’s management foundation, in our human resource strategy, we have established a group wide “Human Resources Management Policy” supporting the realization of our transformation into a ‘Value Co-creation Retailer’ and the promotion of a new Group human resource strategy integrated with management strategy, and strengthened our systems to accelerate implementation of our human resource strategy.

Under our systems strategy, we promoted the introduction of a common accounting system for the entire Group aiming to enhance business management and operational efficiency, and worked on the integration of groupware to revitalize internal and external communication. In addition, we established a new “Group System Philosophy.”

We further strengthened the oversight function by changing the chairperson of the Board of Directors to an independent Outside Director, in addition to the chairpersons of the existing three statutory committees.

Under our financial strategy, we progressed our efforts to have ROIC management take root within the Company through cooperation with operating companies. In addition, with the aim of improving medium- to long-term capital profitability, optimizing equity capital, and strengthening shareholder returns, we implemented a targeted consolidated dividend payout ratio of 40% or more (excluding a gain on step acquisition) and acquisition of own shares totaling ¥10.0 billion.

As a result of various measures including those mentioned above, each level of profit set a new post-business integration record high with respect to consolidated earnings for the current fiscal year, and we achieved the business profit target for the final year of our Medium-term Business Plan (FY2026).

Specifically, sales revenue increased to ¥441,877 million (up 8.6% year on year). As for business profit, in addition to the increase in sales revenue, cost-saving efforts, despite strategic expenditures, resulted in business profit of ¥53,490 million (up 20.7% year on year). While impairment losses were recorded at some stores, mainly the recording of a gain on step acquisition also factored in, and operating profit rose

sharply to ¥58,199 million (up 35.2% year on year), profit before tax was ¥55,785 million (up 34.9% year on year), and profit attributable to owners of parent was ¥41,424 million (up 38.5% year on year).

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, %) | Fiscal year ended<br>February 28, 2025 | Year-on-year changes |                         | Against October<br>forecasts |
|----------------------|--|----------------------|-------------------------|------------------------------|
|                      |  | Change in amount     | Change in<br>percentage | Change in amount             |
| Sales revenue        | 263,643                                | 24,543               | 10.3                    | (2,357)                      |
| Business profit      | 33,982                                 | 7,874                | 30.2                    | (1,618)                      |
| Operating profit     | 29,677                                 | 6,247                | 26.7                    | (3,623)                      |

Net sales increased significantly mainly due to factors including the effects of renovations aimed at expanding content for the premium and aspirational consumer group and growth in sales from foreign tourists visiting Japan.

By store, sales to inbound tourists were brisk at the Daimaru Shinsaibashi and Kyoto stores, while the performance of major stores was strong, including the Daimaru Kobe and Sapporo stores, which strategically renovated their floors, and the Daimaru Tokyo store, which is located at a terminal site. These factors drove the overall performance.

In accordance with the key strategies, we have been promoting a large-scale renovation of the Matsuzakaya Nagoya store, and floors have been reopened in order since November 2024. This renovation aims to enhance experiential value unique to a physical store and to attract next-generation customers. In addition to expanding luxury brand offerings, we enhanced contents that capture next-generation market needs, such as fashion, art, alcoholic beverages, beauty, and wellness. The Daimaru Umeda store announced a large-scale renovation plan for the SOUTH GATE BUILDING, which houses the store, in collaboration with other companies.

Moreover, we revamped the Daimaru Matsuzakaya App to enhance its media functions, in order to build a strong relationship with customers.

As a result of various measures including those mentioned above, sales revenue was ¥263,643 million (up 10.3% year on year). Business profit increased significantly to ¥33,982 million (up 30.2% year on year).

#### <SC Business>

| (Millions of yen, %) | Fiscal year ended<br>February 28, 2025 | Year-on-year changes |                         | Against October<br>forecasts |
|----------------------|--|----------------------|-------------------------|------------------------------|
|                      |  | Change in amount     | Change in<br>percentage | Change in amount             |
| Sales revenue        | 64,418                                 | 5,687                | 9.7                     | 418                          |
| Business profit      | 12,745                                 | 4,323                | 51.3                    | 1,445                        |
| Operating profit     | 12,850                                 | 3,387                | 35.8                    | 3,050                        |

To deepen the retail business, we carried out strategic renovations to increase the distinctive brand value of PARCO and the value of visiting our stores as well as extend support from the perspective of Generation MZ and overseas customers.

We renovated Nagoya PARCO based on the themes of the Tokai area's most sophisticated fashion and diverse entertainment, and carried out strategic remodeling at Sendai PARCO to strengthen fashion and entertainment and at Hiroshima PARCO to attract one-of-a-kind shops in the area.

In addition, we worked to strengthen information dissemination to foreign tourists visiting Japan and to strengthen relationships including through partnerships with overseas companies particularly in Asia, and inbound sales at Shibuya PARCO and Shinsaibashi PARCO grew significantly and drove business performance.

In the culture business, theatre made a recovery, while music benefited from Shibuya Quattro's strong performance, and the collaboration café succeeded in business development by leveraging the license of a popular manga.

Moreover, in April 2024, PARCO CO., LTD. signed a basic agreement on a strategic alliance with Hyundai, a major department store chain in South Korea, and a pop-up event was held at Shibuya PARCO to attract a new customer base, particularly the MZ generations.

As a result of various measures including those mentioned above, sales revenue increased to ¥64,418 million (up 9.7% year on year). Business profit increased significantly to ¥12,745 million (up 51.3% year on year).

#### <Developer Business>

| (Millions of yen, %) | Fiscal year ended<br>February 28, 2025 | Year-on-year changes |                         | Against October<br>forecasts |
|----------------------|--|----------------------|-------------------------|------------------------------|
|                      |  | Change in amount     | Change in<br>percentage | Change in amount             |
| Sales revenue        | 90,658                                 | 9,340                | 11.5                    | 13,158                       |
| Business profit      | 8,360                                  | 575                  | 7.4                     | 2,260                        |
| Operating profit     | 8,189                                  | 515                  | 6.7                     | 2,389                        |

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 J. Front Design & Construction Co., Ltd. led to higher sales revenue and profit.

In the 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)" both of which are scheduled for completion and opening in FY2026. Additionally, we made the decision to invest in a specified purpose company that will acquire the Shinsaibashi Building. For the "Tenjin 2-chome South Block Station-front East West Street Area Project (tentative name)," we have been advancing the project across the entire Group, based on city planning decisions for district planning and urban redevelopment projects.

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.

As a result of various measures including those mentioned above, sales revenue increased to ¥90,658 million (up 11.5% year on year) and business profit increased to ¥8,360 million (up 7.4% year on year).

**<Payment and Finance Business>**

| (Millions of yen, %) | Fiscal year ended<br>February 28, 2025 | Year-on-year changes |                         | Against October<br>forecasts |
|----------------------|--|----------------------|-------------------------|------------------------------|
|                      |  | Change in amount     | Change in<br>percentage | Change in amount             |
| Sales revenue        | 13,135                                 | 20                   | 0.1                     | (299)                        |
| Business profit      | 1,637                                  | (1,140)              | (41.0)                  | (258)                        |
| Operating profit     | 1,460                                  | (1,123)              | (43.5)                  | (229)                        |

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 and new PARCO Card to pave the way for the consolidation of the Group's cards. In the Affiliated Store Business, we developed the external affiliates especially in 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.

As a result of various measures including those mentioned above, sales revenue was ¥13,135 million (up 0.1% year on year) due to an increase in point cost despite higher revenue from affiliated store fees due to a growth in transaction volume. In selling, general, and administrative expenses, investment for the consolidation of Group's cards and personnel expenses, etc. increased. As a result, business profit decreased to ¥1,637 million (down 41.0% year on year).

## (2) Overview of financial position for the current fiscal year

### Position of assets, liabilities, and equity

| (Millions of yen, %)   | As of February 29, 2024 | As of February 28, 2025 | Change in amount |
|--|-------------------------|-------------------------|------------------|
| Current assets   | 246,501                 | 241,045                 | (5,456)          |
| Non-current assets   | 868,225                 | 923,101                 | 54,876           |
| Total assets   | 1,114,726               | 1,164,147               | 49,421           |
| Current liabilities  | 331,261                 | 341,341                 | 10,080           |
| Non-current liabilities  | 389,232                 | 399,570                 | 10,338           |
| Total liabilities  | 720,494                 | 740,911                 | 20,417           |
| Equity attributable to owners of parent                          | 381,898                 | 409,646                 | 27,748           |
| Ratio of equity attributable to owners of parent to total assets | 34.3                    | 35.2                    | 0.9              |
| Total equity   | 394,232                 | 423,235                 | 29,003           |

Total assets as of February 28, 2025 was ¥1,164,147 million, up ¥49,421 million compared with February 29, 2024. Total liabilities was ¥740,911 million, an increase of ¥20,417 million compared with February 29, 2024. Interest-bearing debt (including lease liabilities) was ¥363,578 million, down ¥820 million compared with February 29, 2024.

Total equity was ¥423,235 million, an increase of ¥29,003 million compared with February 29, 2024.

## (3) Overview of cash flow position for the current fiscal year

| (Millions of yen)                                    | Fiscal year ended February 29, 2024 | Fiscal year ended February 28, 2025 | Change in amount |
|--|-------------------------------------|-------------------------------------|------------------|
| Net cash flows from (used in) operating activities   | 90,692                              | 85,812                              | (4,880)          |
| Net cash flows from (used in) investing activities   | 13,429                              | (28,308)                            | (41,737)         |
| Free cash flows                                      | 104,122                             | 57,503                              | (46,619)         |
| Net cash flows from (used in) financing activities   | (72,746)                            | (74,001)                            | (1,255)          |
| Net increase (decrease) in cash and cash equivalents | 31,375                              | (16,498)                            | (47,873)         |
| Cash and cash equivalents at end of period           | 71,342                              | 54,975                              | (16,367)         |

The balance of cash and cash equivalents (hereinafter “cash”) as of February 28, 2025 was ¥54,975 million, down ¥16,367 million compared with February 29, 2024 (¥71,342 million).

Cash flow positions in the current fiscal year and the factors for these are as follows.

Net cash provided by operating activities was ¥85,812 million. In comparison with the fiscal year ended February 29, 2024, cash provided decreased by ¥4,880 million, mainly due to an increase in working capital, etc., despite an increase in profit before tax.

Net cash used in investing activities was ¥28,308 million. In comparison with the fiscal year ended February 29, 2024, cash used increased by ¥41,737 million, largely reflecting the renovation of the Matsuzakaya Nagoya store and purchase of shares of Shinsaibashi Kyodo Center Building.

Net cash used in financing activities was ¥74,001 million. In comparison with the fiscal year ended February 29, 2024, cash used increased by ¥1,255 million mainly due to purchase of treasury shares.

<Reference> Trends in cash flow indicators

|   | Fiscal year ended February 28, 2022 | Fiscal year ended February 28, 2023 | Fiscal year ended February 29, 2024 | Fiscal year ended February 28, 2025 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Ratio of equity attributable to owners of parent to total assets (%)              | 29.4                                | 32.1                                | 34.3                                | 35.2                                |
| Market value ratio of equity attributable to owners of parent to total assets (%) | 21.1                                | 29.5                                | 35.0                                | 42.9                                |
| Interest-bearing debt to cash flow ratio (%)                                      | 1,006.9                             | 632.2                               | 401.8                               | 423.7                               |
| Interest coverage ratio (times)   | 8.6                                 | 12.7                                | 18.9                                | 20.3                                |

Ratio of equity attributable to owners of parent to total assets: total equity attributable to owners of parent / total assets

Market value ratio of equity attributable to owners of parent to total assets: market capitalization / total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt / cash flow

Interest coverage ratio: cash flow / paid interest

Notes: 1. All indicators are calculated based on consolidated financial figures.

2. Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of issued shares at the end of the period (excluding treasury shares).

3. The figure used for cash flow is “net cash from (used in) operating activities.”

4. Interest-bearing debt consists of current borrowings, commercial papers, current portion of bonds, lease liabilities (short-term), bonds, non-current borrowings and lease liabilities (long-term) recorded on the consolidated statement of financial position. Furthermore, regarding the paid interest, we use the interest paid recorded on the consolidated statement of cash flows.

#### (4) Consolidated earnings forecasts

In our full-year consolidated earnings forecasts for the fiscal year ending February 28, 2026, we project gross sales of ¥1,316,000 million, sales revenue of ¥459,000 million; business profit of ¥54,000 million; operating profit of ¥50,000 million; profit before tax of ¥45,500 million; and profit attributable to owners of parent of ¥30,000 million. Our forecast for basic earnings per share is ¥120.93.

**(5) Basic policy on profit distribution for the current fiscal year and dividends for the current fiscal year and the next fiscal year**

The Company's basic policy is to return profits appropriately by striving to provide a stable dividend and purchasing treasury shares in a flexible and agile manner, with the aim of maintaining and enhancing the Company's sound financial standing while keeping profit levels, future capital investment, free cash flow trends and other such factors in consideration. In accordance with this policy, the Company will strive to optimize shareholder's equity by providing dividends with a targeted consolidated dividend payout ratio of 40% or more and purchasing treasury shares during the period of its FY2024–FY2026 Medium-term Business Plan.

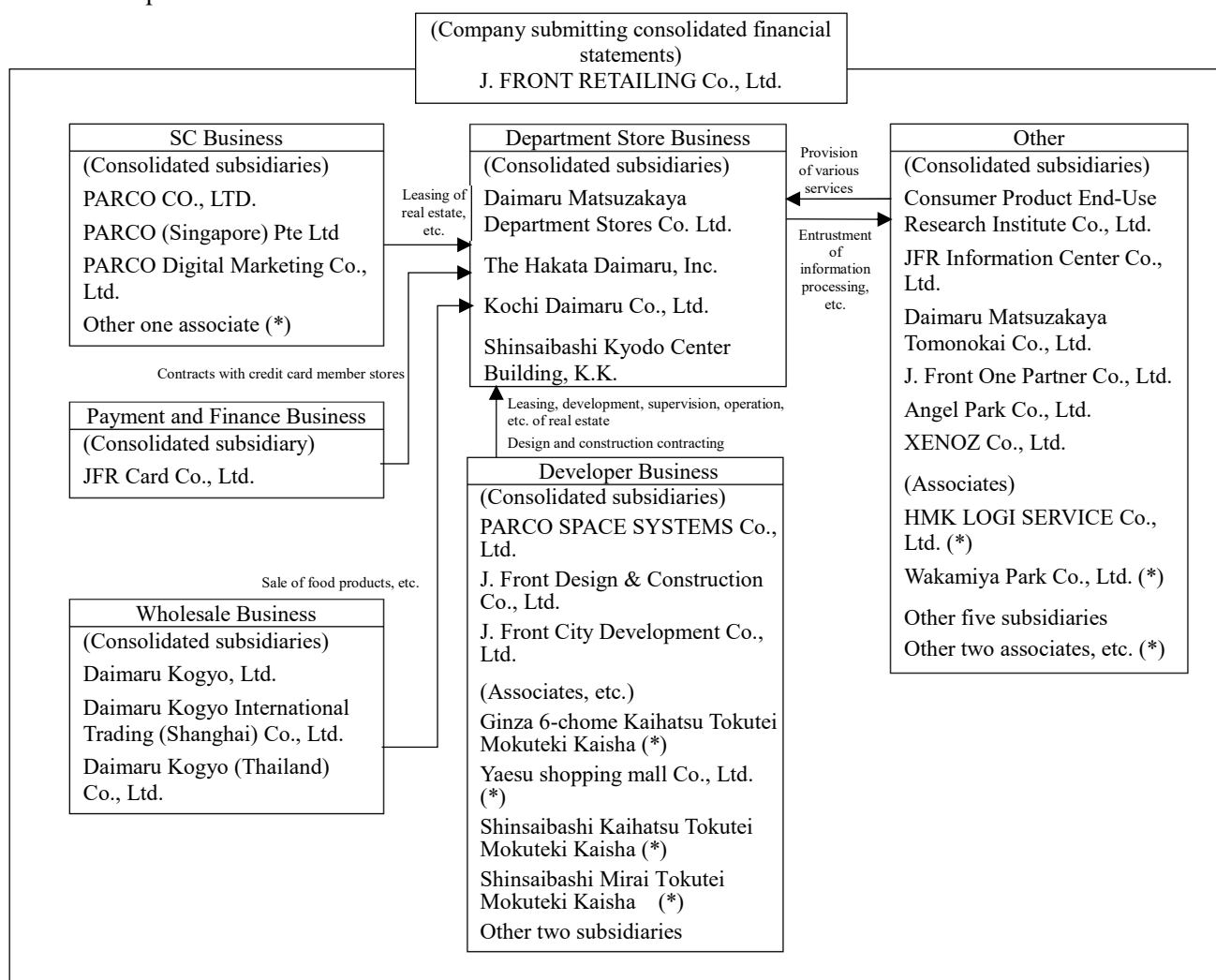
With respect to internal reserves, the Company intends to enhance corporate value by using them for such purposes as investing in store refurbishments to further strengthen the retail businesses (Department Store Business and SC Business), making upfront investments in the Developer Business aimed at realizing Group synergies, and implementing growth investment.

The Company has revised dividend forecasts for the current fiscal year to an annual dividend of ¥52 per share, comprising an interim dividend of ¥22 per share and a year-end dividend of ¥30 per share.

In the next fiscal year, the Company plans to pay an annual dividend of ¥54 per share, comprising an interim dividend of ¥27 per share and a year-end dividend of ¥27 per share.

## 2. Overview of the corporate group

The corporate group consists of the Company, 27 subsidiaries and nine associates, etc. Its principal business is the Department Store Business, and its other businesses include the SC Business, the Developer Business, the Payment and Finance Business, wholesaling, parking, and leasing. The following is a business organization chart of the Group's main consolidated subsidiaries and equity method companies.



- Notes:
1. Companies marked with an asterisk (\*) are equity method associates, etc.
  2. In segment information, wholesaling, parking, leasing, etc. are shown together as "Other." The other businesses are categorized in accordance with the segments.
  3. On March 27, 2024, PARCO CO., LTD. sold some shares of Apparel-web, Inc. Accordingly, that company is no longer an equity method affiliate.
  4. Daimaru Matsuzakaya Department Stores Co. Ltd. acquired additional shares in Shinsaibashi Kyodo Center Building, K.K., on July 31, 2024, and that company was converted from an equity method company into a consolidated subsidiary.
  5. On November 1, 2024, JFR Service Co. Ltd. changed its trade name to J.Front One Partner Co.,Ltd.
  6. The liquidation of PT. Daimaru Kogyo Indonesia was completed on February 3, 2025.
  7. J. Front City Development Co., Ltd. made a joint investment in Shinsaibashi Mirai Specified Purpose Company, and as at January 31, 2025, that company has been included in the scope of equity method affiliates.

### **3. Basic rationale on selection of accounting standard**

The Group has voluntarily adopted the International Financial Reporting Standards (IFRS) from the fiscal year ended February 28, 2018 for the purpose of implementing effective management based on appropriate asset evaluation, applying business management that gives emphasis to the profit of the current period and improving the convenience of overseas investors by improving the international comparability of financial information.

#### 4. Consolidated financial statements and significant notes thereto

##### (1) Consolidated statement of financial position

|   | As of February 29, 2024 | As of February 28, 2025 |
|---|-------------------------|-------------------------|
|   | Millions of yen         | Millions of yen         |
| Assets  |                         |                         |
| Current assets                                |                         |                         |
| Cash and cash equivalents                     | 71,342                  | 54,975                  |
| Trade and other receivables                   | 143,321                 | 156,663                 |
| Other financial assets                        | 11,439                  | 8,690                   |
| Inventories                                   | 15,193                  | 12,662                  |
| Other current assets                          | 5,203                   | 6,421                   |
| Subtotal                                      | 246,501                 | 239,414                 |
| Assets held for sale                          | –                       | 1,631                   |
| Total current assets                          | 246,501                 | 241,045                 |
| Non-current assets                            |                         |                         |
| Property, plant and equipment                 | 458,623                 | 469,417                 |
| Right-of-use assets                           | 107,623                 | 136,389                 |
| Goodwill                                      | 560                     | 6,799                   |
| Investment property                           | 181,985                 | 177,176                 |
| Intangible assets                             | 7,886                   | 8,350                   |
| Investments accounted for using equity method | 23,531                  | 27,840                  |
| Other financial assets                        | 72,034                  | 81,535                  |
| Deferred tax assets                           | 3,636                   | 3,190                   |
| Other non-current assets                      | 12,343                  | 12,402                  |
| Total non-current assets                      | 868,225                 | 923,101                 |
| Total assets                                  | 1,114,726               | 1,164,147               |

|   | As of February 29, 2024 | As of February 28, 2025 |
|---|-------------------------|-------------------------|
|   | Millions of yen         | Millions of yen         |
| Liabilities and equity                        |                         |                         |
| Liabilities                                   |                         |                         |
| Current liabilities                           |                         |                         |
| Bonds and borrowings                          | 57,330                  | 53,330                  |
| Trade and other payables                      | 151,230                 | 162,810                 |
| Lease liabilities                             | 27,222                  | 25,294                  |
| Other financial liabilities                   | 28,362                  | 28,262                  |
| Income tax payables                           | 7,183                   | 11,576                  |
| Provisions                                    | 2,487                   | 785                     |
| Other current liabilities                     | 57,445                  | 59,280                  |
| Total current liabilities                     | 331,261                 | 341,341                 |
| Non-current liabilities                       |                         |                         |
| Bonds and borrowings                          | 156,618                 | 136,728                 |
| Lease liabilities                             | 123,228                 | 148,225                 |
| Other financial liabilities                   | 34,798                  | 33,368                  |
| Retirement benefit liabilities                | 15,980                  | 15,369                  |
| Provisions                                    | 6,746                   | 5,905                   |
| Deferred tax liabilities                      | 51,439                  | 59,519                  |
| Other non-current liabilities                 | 419                     | 453                     |
| Total non-current liabilities                 | 389,232                 | 399,570                 |
| Total liabilities                             | 720,494                 | 740,911                 |
| Equity  |                         |                         |
| Capital                                       | 31,974                  | 31,974                  |
| Share premium                                 | 189,172                 | 188,081                 |
| Treasury shares                               | (14,231)                | (23,940)                |
| Other components of equity                    | 7,383                   | 14,219                  |
| Retained earnings                             | 167,600                 | 199,311                 |
| Total equity attributable to owners of parent | 381,898                 | 409,646                 |
| Non-controlling interests                     | 12,333                  | 13,588                  |
| Total equity                                  | 394,232                 | 423,235                 |
| Total liabilities and equity                  | 1,114,726               | 1,164,147               |

## (2) Consolidated statement of income and consolidated statement of comprehensive income

### (Consolidated statement of income)

|  | Fiscal year ended<br>February 29, 2024 | Fiscal year ended<br>February 28, 2025 |
|--|--|--|
|  | Millions of yen                        | Millions of yen                        |
| Sales revenue  | 407,006                                | 441,877                                |
| Cost of sales  | (211,490)                              | (229,281)                              |
| Gross profit   | 195,516                                | 212,596                                |
| Selling, general and administrative expense                                | (151,185)                              | (159,106)                              |
| Other operating income   | 3,673                                  | 11,831                                 |
| Other operating expenses   | (4,955)                                | (7,122)                                |
| Operating profit   | 43,048                                 | 58,199                                 |
| Finance income   | 1,609                                  | 781                                    |
| Finance costs  | (4,847)                                | (4,270)                                |
| Share of profit (loss) of investments accounted for<br>using equity method | 1,532                                  | 1,074                                  |
| Profit before tax  | 41,343                                 | 55,785                                 |
| Income tax expense   | (11,096)                               | (14,273)                               |
| Profit   | 30,247                                 | 41,512                                 |
| Profit attributable to:  |  |  |
| Owners of parent   | 29,913                                 | 41,424                                 |
| Non-controlling interests  | 333                                    | 87                                     |
| Profit   | 30,247                                 | 41,512                                 |
| Earnings per share   |  |  |
| Basic earnings per share (Yen)   | 114.06                                 | 160.35                                 |
| Diluted earnings per share (Yen)   | 114.06                                 | 160.15                                 |

**(Consolidated statement of comprehensive income)**

|  | Fiscal year ended<br>February 29, 2024 | Fiscal year ended<br>February 28, 2025 |
|--|--|--|
|  | Millions of yen                        | Millions of yen                        |
| Profit   | 30,247                                 | 41,512                                 |
| Other comprehensive income   |  |  |
| Items that will not be reclassified to profit or loss                                |  |  |
| Financial assets measured at fair value through<br>other comprehensive income        | (1,638)                                | 6,717                                  |
| Remeasurements of defined benefit plans  | 2,276                                  | 1,135                                  |
| Share of other comprehensive income of<br>entities accounted for using equity method | (75)                                   | 0                                      |
| Total items that will not be reclassified to profit or<br>loss                       | 562                                    | 7,852                                  |
| Items that may be reclassified to profit or loss                                     |  |  |
| Cash flow hedges   | 20                                     | (46)                                   |
| Exchange differences on translation of foreign<br>operations                         | 103                                    | 213                                    |
| Share of other comprehensive income of<br>entities accounted for using equity method | 1                                      | (2)                                    |
| Total items that may be reclassified to profit or<br>loss                            | 126                                    | 164                                    |
| Other comprehensive income, net of tax   | 688                                    | 8,017                                  |
| Comprehensive income   | 30,935                                 | 49,529                                 |
| Comprehensive income attributable to:  |  |  |
| Owners of parent   | 30,561                                 | 49,426                                 |
| Non-controlling interests  | 373                                    | 102                                    |
| Comprehensive income   | 30,935                                 | 49,529                                 |

### (3) Consolidated statement of changes in equity

|   | 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                                    | —                                       | —               | —               | 105   | 20               | (1,647)  |
| Total comprehensive income                                    | —                                       | —               | —               | 105   | 20               | (1,647)  |
| Purchase of treasury shares                                   | —                                       | —               | (7)             | —   | —                | —  |
| Disposal of treasury shares                                   | —                                       | (0)             | 0               | —   | —                | —  |
| Dividends   | —                                       | —               | —               | —   | —                | —  |
| Share-based payment transactions                              | —                                       | 104             | 240             | —   | —                | —  |
| Change due to capital increase of consolidated subsidiaries   | —                                       | —               | —               | —   | —                | —  |
| Changes in ownership interests in subsidiaries                | —                                       | 0               | —               | —   | —                | —  |
| Transfer from other components of equity to retained earnings | —                                       | —               | —               | —   | —                | (1,749)  |
| Total transactions with owners                                | —                                       | 103             | 234             | —   | —                | (1,749)  |
| Balance at February 29, 2024                                  | 31,974                                  | 189,172         | (14,231)        | 314   | 17               | 7,050  |
| Profit  | —                                       | —               | —               | —   | —                | —  |
| Other comprehensive income                                    | —                                       | —               | —               | 211   | (46)             | 6,716  |
| Total comprehensive income                                    | —                                       | —               | —               | 211   | (46)             | 6,716  |
| Purchase of treasury shares                                   | —                                       | (117)           | (11,458)        | —   | —                | —  |
| Dividends   | —                                       | —               | —               | —   | —                | —  |
| Share-based payment transactions                              | —                                       | (973)           | 1,749           | —   | —                | —  |
| Change due to capital increase of consolidated subsidiaries   | —                                       | —               | —               | —   | —                | —  |
| Obtaining of control of subsidiaries                          | —                                       | —               | —               | —   | —                | —  |
| Transfer from other components of equity to retained earnings | —                                       | —               | —               | —   | —                | (45)   |
| Total transactions with owners                                | —                                       | (1,090)         | (9,708)         | —   | —                | (45)   |
| Balance at February 28, 2025                                  | 31,974                                  | 188,081         | (23,940)        | 525   | (29)             | 13,722   |

|   | Equity attributable to owners of parent         |                 |                      |                 |                           |                 |
|---|---|-----------------|----------------------|-----------------|---------------------------|-----------------|
|   | Other components of equity                      |                 |                      |                 | Non-controlling interests | Total           |
|   | Remeasure-<br>ments of defined<br>benefit plans | Total           | Retained<br>earnings | 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  | –   | –               | 29,913               | 29,913          | 333                       | 30,247          |
| Other comprehensive income                                    | 2,169   | 648             | –                    | 648             | 40                        | 688             |
| Total comprehensive income                                    | 2,169   | 648             | 29,913               | 30,561          | 373                       | 30,935          |
| Purchase of treasury shares                                   | –   | –               | –                    | (7)             | –                         | (7)             |
| Disposal of treasury shares                                   | –   | –               | –                    | 0               | –                         | 0               |
| Dividends   | –   | –               | (8,386)              | (8,386)         | (64)                      | (8,450)         |
| Share-based payment transactions                              | –   | –               | –                    | 344             | –                         | 344             |
| Change due to capital increase of consolidated subsidiaries   | –   | –               | –                    | –               | 6                         | 6               |
| Changes in ownership interests in subsidiaries                | –   | –               | –                    | 0               | (7)                       | (6)             |
| Transfer from other components of equity to retained earnings | (2,169)   | (3,919)         | 3,919                | –               | –                         | –               |
| Total transactions with owners                                | (2,169)   | (3,919)         | (4,466)              | (8,048)         | (65)                      | (8,113)         |
| Balance at February 29, 2024                                  | –   | 7,383           | 167,600              | 381,898         | 12,333                    | 394,232         |
| Profit  | –   | –               | 41,424               | 41,424          | 87                        | 41,512          |
| Other comprehensive income                                    | 1,120   | 8,002           | –                    | 8,002           | 15                        | 8,017           |
| Total comprehensive income                                    | 1,120   | 8,002           | 41,424               | 49,426          | 102                       | 49,529          |
| Purchase of treasury shares                                   | –   | –               | –                    | (11,575)        | –                         | (11,575)        |
| Dividends   | –   | –               | (10,879)             | (10,879)        | (64)                      | (10,943)        |
| Share-based payment transactions                              | –   | –               | –                    | 776             | –                         | 776             |
| Change due to capital increase of consolidated subsidiaries   | –   | –               | –                    | –               | 5                         | 5               |
| Obtaining of control of subsidiaries                          | –   | –               | –                    | –               | 1,210                     | 1,210           |
| Transfer from other components of equity to retained earnings | (1,120)   | (1,166)         | 1,166                | –               | –                         | –               |
| Total transactions with owners                                | (1,120)   | (1,166)         | (9,712)              | (21,678)        | 1,151                     | (20,526)        |
| Balance at February 28, 2025                                  | –   | 14,219          | 199,311              | 409,646         | 13,588                    | 423,235         |

#### (4) Consolidated statement of cash flows

|  | Fiscal year ended<br>February 29, 2024 | Fiscal year ended<br>February 28, 2025 |
|--|--|--|
|  | Millions of yen                        | Millions of yen                        |
| Cash flows from (used in) operating activities                                   |  |  |
| Profit before tax  | 41,343                                 | 55,785                                 |
| Depreciation and amortization expense  | 46,492                                 | 45,593                                 |
| Impairment loss  | 2,310                                  | 2,689                                  |
| Finance income   | (1,609)                                | (781)                                  |
| Finance costs  | 4,847                                  | 4,270                                  |
| Share of loss (profit) of investments accounted for using equity method          | (1,532)                                | (1,074)                                |
| Loss (gain) on sales of non-current assets                                       | (757)                                  | (140)                                  |
| Loss on disposals of non-current assets  | 1,302                                  | 2,699                                  |
| Gain on step acquisition   | —                                      | (8,525)                                |
| Decrease (increase) in inventories   | 3,748                                  | 2,530                                  |
| Decrease (increase) in trade and other receivables                               | (13,010)                               | (16,567)                               |
| Increase (decrease) in trade and other payables                                  | 18,001                                 | 11,157                                 |
| Increase (decrease) in retirement benefit liabilities                            | (773)                                  | (616)                                  |
| Decrease (increase) in retirement benefit assets                                 | (2,306)                                | (787)                                  |
| Other, net   | (812)                                  | 181                                    |
| Subtotal   | 97,245                                 | 96,415                                 |
| Interest received  | 150                                    | 186                                    |
| Dividends received   | 899                                    | 129                                    |
| Interest paid  | (4,803)                                | (4,223)                                |
| Income taxes paid  | (4,679)                                | (10,390)                               |
| Income taxes refund  | 1,880                                  | 3,695                                  |
| Net cash flows from (used in) operating activities                               | 90,692                                 | 85,812                                 |
| Cash flows from (used in) investing activities                                   |  |  |
| Purchase of property, plant and equipment  | (7,030)                                | (14,412)                               |
| Proceeds from sales of property, plant and equipment, and intangible assets      | 241                                    | 182                                    |
| Purchase of investment property  | (1,594)                                | (1,216)                                |
| Proceeds from sales of investment property                                       | 4,014                                  | —                                      |
| Purchase of intangible assets  | (2,863)                                | (2,574)                                |
| Purchase of investment securities  | (1,885)                                | (6,641)                                |
| Proceeds from sales of investment securities                                     | 22,179                                 | 1,699                                  |
| Proceeds from refund of guarantee deposits                                       | 2,422                                  | 3,645                                  |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | —                                      | (6,220)                                |
| Other, net   | (2,054)                                | (2,771)                                |
| Net cash flows from (used in) investing activities                               | 13,429                                 | (28,308)                               |

|  | Fiscal year ended<br>February 29, 2024 | Fiscal year ended<br>February 28, 2025 |
|--|--|--|
|  | Millions of yen                        | Millions of yen                        |
| Cash flows from (used in) financing activities               |  |  |
| Net increase (decrease) in current borrowings                | (9,100)                                | —                                      |
| Proceeds from non-current borrowings                         | 3,400                                  | 8,500                                  |
| Repayments of non-current borrowings                         | (29,530)                               | (12,430)                               |
| Redemption of bonds  | —                                      | (20,000)                               |
| Repayments of lease liabilities                              | (29,088)                               | (27,590)                               |
| Purchase of treasury shares                                  | (8)                                    | (11,575)                               |
| Dividends paid   | (8,362)                                | (10,847)                               |
| Dividends paid to non-controlling interests                  | (64)                                   | (64)                                   |
| Other, net   | 6                                      | 5                                      |
| Net cash flows from (used in) financing activities           | (72,746)                               | (74,001)                               |
| Net increase (decrease) in cash and cash equivalents         | 31,375                                 | (16,498)                               |
| Cash and cash equivalents at beginning of period             | 39,874                                 | 71,342                                 |
| Effect of exchange rate changes on cash and cash equivalents | 92                                     | 130                                    |
| Cash and cash equivalents at end of period                   | 71,342                                 | 54,975                                 |

## **(5) Notes to consolidated financial statements**

(Notes on premise of going concern)

No items to report.

(Segment information, etc.)

### **(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.

Fiscal year ended February 29, 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  | 238,747                   | 57,551          | 67,165             | 6,148                        | 369,613         | 37,393          | 407,006         | –               | 407,006         |
| Inter-segment revenue   | 352                       | 1,179           | 14,152             | 6,967                        | 22,652          | 9,948           | 32,600          | (32,600)        | –               |
| Total   | 239,100                   | 58,731          | 81,318             | 13,115                       | 392,265         | 47,341          | 439,607         | (32,600)        | 407,006         |
| Segment profit  | 23,430                    | 9,463           | 7,674              | 2,583                        | 43,152          | 1,248           | 44,400          | (1,351)         | 43,048          |
| Finance income  |                           |                 |                    |                              |                 |                 |                 |                 | 1,609           |
| Finance costs   |                           |                 |                    |                              |                 |                 |                 |                 | (4,847)         |
| Share of profit (loss) of investments accounted for using equity method |                           |                 |                    |                              |                 |                 |                 |                 | 1,532           |
| Profit before tax   |                           |                 |                    |                              |                 |                 |                 |                 | 41,343          |
| Segment assets  | 546,826                   | 298,146         | 143,823            | 84,268                       | 1,073,064       | 78,095          | 1,151,160       | (36,433)        | 1,114,726       |
| Other items   |                           |                 |                    |                              |                 |                 |                 |                 |                 |
| Depreciation and amortization expense                                   | 29,472                    | 12,972          | 4,238              | 177                          | 46,860          | 860             | 47,721          | (1,228)         | 46,492          |
| Impairment loss   | 1,654                     | 29              | 179                | –                            | 1,864           | 11              | 1,875           | 435             | 2,310           |
| Investments accounted for using equity method                           | 22,481                    | 51              | 841                | –                            | 23,374          | 156             | 23,530          | 1               | 23,531          |
| Capital expenditures  | 6,322                     | 8,464           | 2,078              | 52                           | 16,918          | 575             | 17,493          | (5,405)         | 12,087          |

Notes: 1. The “Other” category is a business segment not included in reportable segments. It includes wholesaling, parking, leasing, etc.

2. Capital expenditures are the amount of the increase in property, plant and equipment, right-of-use assets, investment property and intangible assets.

3. Adjustments are made as follows.

- (1) 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 consolidated financial statements that are not attributable to any business segment.
- (2) The adjustment for segment assets includes elimination of segment receivables, unrealized profit adjustments on non-current assets, and assets of the company submitting consolidated financial statements that are not attributable to any business segment.
- (3) The adjustment for depreciation and amortization expense consists of inter-segment transfers.
- (4) The adjustment for investments accounted for using equity method consists of investments in entities accounted for using equity method of the company submitting consolidated financial statements that are not attributable to any business segment.
- (5) The adjustment for capital expenditures consists mainly of inter-segment eliminations, inter-segment unrealized profit, and capital expenditures of the company submitting consolidated financial statements that are not attributable to any business segment.

4. Segment profit is adjusted to operating profit in the consolidated financial statements.

Fiscal year ended February 28, 2025

|   | 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  | 263,242                   | 63,251          | 69,144             | 5,370                        | 401,009         | 40,859          | 441,868         | 9               | 441,877         |
| Inter-segment revenue   | 401                       | 1,167           | 21,513             | 7,765                        | 30,846          | 9,857           | 40,704          | (40,704)        | –               |
| Total   | 263,643                   | 64,418          | 90,658             | 13,135                       | 431,855         | 50,716          | 482,572         | (40,694)        | 441,877         |
| Segment profit  | 29,677                    | 12,850          | 8,189              | 1,460                        | 52,177          | 797             | 52,975          | 5,224           | 58,199          |
| Finance income  |                           |                 |                    |                              |                 |                 |                 |                 | 781             |
| Finance costs   |                           |                 |                    |                              |                 |                 |                 |                 | (4,270)         |
| Share of profit (loss) of investments accounted for using equity method |                           |                 |                    |                              |                 |                 |                 |                 | 1,074           |
| Profit before tax   |                           |                 |                    |                              |                 |                 |                 |                 | 55,785          |
| Segment assets  | 617,068                   | 285,933         | 144,196            | 85,954                       | 1,133,153       | 82,075          | 1,215,229       | (51,082)        | 1,164,147       |
| Other items   |                           |                 |                    |                              |                 |                 |                 |                 |                 |
| Depreciation and amortization expense                                   | 28,803                    | 12,172          | 4,284              | 202                          | 45,463          | 833             | 46,297          | (703)           | 45,593          |
| Impairment loss   | 1,878                     | 765             | –                  | –                            | 2,643           | 102             | 2,746           | (56)            | 2,689           |
| Investments accounted for using equity method                           | 21,607                    | 15              | 5,888              | –                            | 27,511          | 157             | 27,668          | 171             | 27,840          |
| Capital expenditures  | 14,698                    | 3,878           | 1,877              | 588                          | 21,043          | 1,577           | 22,621          | 360             | 22,981          |

- Notes:
1. The “Other” category is a business segment not included in reportable segments. It includes wholesaling, parking, leasing, etc.
  2. Capital expenditures are the amount of the increase in property, plant and equipment, right-of-use assets, investment property and intangible assets.
  3. Adjustments are made as follows.
    - (1) 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 consolidated financial statements that are not attributable to any business segment.
    - (2) The adjustment for segment assets includes elimination of segment receivables, unrealized profit adjustments on non-current assets, and assets of the company submitting consolidated financial statements that are not attributable to any business segment.
    - (3) The adjustment for depreciation and amortization expense consists of inter-segment transfers.
    - (4) The adjustment for investments accounted for using equity method consists of investments in entities accounted for using equity method of the company submitting consolidated financial statements that are not attributable to any business segment.
    - (5) The adjustment for capital expenditures consists mainly of inter-segment eliminations, inter-segment unrealized profit, and capital expenditures of the company submitting consolidated financial statements that are not attributable to any business segment.
  4. Segment profit is adjusted to operating profit in the consolidated financial statements.

(Per share information)

(1) Basic earnings per share and diluted earnings per share

|                                  | Fiscal year ended<br>February 29, 2024 | Fiscal year ended<br>February 28, 2025 |
|----------------------------------|--|--|
| Basic earnings per share (Yen)   | 114.06                                 | 160.35                                 |
| Diluted earnings per share (Yen) | 114.06                                 | 160.15                                 |

(2) Basis for calculation of basic earnings per share and diluted earnings per share

1) Profit attributable to ordinary equity holders

|  | Fiscal year ended<br>February 29, 2024 | Fiscal year ended<br>February 28, 2025 |
|--|--|--|
| Profit attributable to owners of parent<br>(Millions of yen)                         | 29,913                                 | 41,424                                 |
| Profit not attributable to ordinary equity holders of<br>parent<br>(Millions of yen) | —                                      | —                                      |
| Profit used to calculate basic earnings per share<br>(Millions of yen)               | 29,913                                 | 41,424                                 |
| Adjustment to profit (Millions of yen)   | —                                      | —                                      |
| Profit used to calculate diluted earnings per share<br>(Millions of yen)             | 29,913                                 | 41,424                                 |

2) Average number of shares during the period

|  | Fiscal year ended<br>February 29, 2024 | Fiscal year ended<br>February 28, 2025 |
|--|--|--|
| Average number of common shares during the period<br>(Thousands of shares) | 262,260                                | 258,336                                |
| Increase in the number of common shares                                    |  |  |
| Officer remuneration BIP trust (Thousands of shares)                       | —                                      | 320                                    |
| Average number of diluted common shares                                    | 262,260                                | 258,656                                |

Note: The calculation of basic earnings per share and diluted earnings per share excludes the number of Company's shares owned by the officer remuneration BIP trust from the average number of common shares during the period because such shares are treated as the Company's treasury shares.

(Significant subsequent events)

The Company has resolved, at a meeting of the Board of Directors held on April 14, 2025, on matters concerning the acquisition of own shares pursuant to the provisions of Article 459, paragraph (1) of the Companies Act and the provisions of Article 39 of the Company's Articles of Incorporation.

1. Reason for acquisition

Under the Medium-term Business Plan (FY2024–FY2026), the Company strives to “achieve profitable growth” and “optimize the amount of equity and strengthen shareholder returns” in order to improve medium- to long-term return on equity. This acquisition will be carried out based on this policy.

2. Details of matters related to acquisition

(1) Class of shares to be acquired

Common shares

(2) Total number of shares to be acquired

11,500,000 shares (upper limit)

(4.45% of total number of issued shares (excluding treasury shares))

(3) Total amount of share acquisition costs

¥15.0 billion (upper limit)

(4) Acquisition period

From April 15, 2025 to August 29, 2025

(5) Method of acquisition

- 1) Purchase through off-auction own share repurchase trading system (ToSTNeT-3) of the Tokyo Stock Exchange
- 2) Market purchases on the Tokyo Stock Exchange