

Translation

October 14, 2025

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending February 28, 2026 (under IFRS)

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

Listing: Tokyo Stock Exchange and Nagoya Stock Exchange

Securities code: 3086

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Scheduled date to file Semi-annual Securities Report:

October 15, 2025

Scheduled date to commence dividend payments:

November 12, 2025

Preparation of supplementary material on financial results:

Yes

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

1. Consolidated performance for the first six months of the fiscal year ending February 28, 2026 (from March 1, 2025 to August 31, 2025)

(1) Consolidated operating results (cumulative)

(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	%
Six months ended										
August 31, 2025	622,574	2.0	219,925	5.0	28,181	(13.2)	29,975	(23.9)	27,874	(27.1)
August 31, 2024	610,469	13.0	209,368	9.3	32,476	60.8	39,364	100.0	38,263	103.5

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share		Diluted earnings per share	
	Millions of yen	%	Millions of yen	%	Yen		Yen	
Six months ended								
August 31, 2025	18,354	(36.9)	18,396	(38.5)	72.80		72.74	
August 31, 2024	29,094	125.5	29,917	102.3	111.86		111.79	

* 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							
August 31, 2025	Millions of yen	1,140,108	Millions of yen	417,450	Millions of yen	%	Yen
February 28, 2025		1,164,147		423,235	404,885	35.5	1,629.23
					409,646	35.2	1,597.24

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	—	22.00	—	30.00	52.00
Fiscal year ending February 28, 2026	—	27.00	—	—	—
Fiscal year ending February 28, 2026 (Forecast)	—	—	—	27.00	54.00

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

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	%
Fiscal year ending February 28, 2026	1,293,000	1.9	452,000	2.3	48,500	(9.3)	44,000	(24.4)	39,500	(29.2)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending February 28, 2026	26,000	(37.2)	103.13

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

* **Notes**

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

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

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

(3) Number of issued shares (common shares)

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

As of August 31, 2025	270,565,764 shares
As of February 28, 2025	270,565,764 shares

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

As of August 31, 2025	22,052,869 shares
As of February 28, 2025	14,093,649 shares

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

For the six months ended August 31, 2025	252,114,359 shares
For the six months ended August 31, 2024	260,097,571 shares

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

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

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors. Please refer to “1. Overview of operating results (4) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 7 of the material attached to this semi-annual financial results report for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(How to obtain supplementary material on financial results)

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

[Attached Material]

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1. Overview of operating results

(1) Overview of operating results for the period

(Millions of yen, %)	Results	Six months ended August 31, 2025 (from March to August)		
		Year-on-year changes		Against April announced figures
		Change in amount	Change in percentage	
Gross sales	622,574	12,105	2.0	(22,426)
Sales revenue	219,925	10,557	5.0	(4,475)
Gross profit	107,531	(915)	(0.8)	(2,469)
Selling, general and administrative expense	79,350	3,380	4.4	(650)
Business profit	28,181	(4,295)	(13.2)	(1,819)
Other operating income	2,938	(5,968)	(67.0)	838
Other operating expenses	1,144	(874)	(43.3)	(956)
Operating profit	29,975	(9,389)	(23.9)	(25)
Profit attributable to owners of parent	18,354	(10,740)	(36.9)	(146)

In the six months ended August 31, 2025, consolidated sales revenue was primarily driven by strong performance in the SC (Shopping Center) Business and the Developer Business, despite a significant decrease in duty-free sales in the Department Store Business, which grew significantly in the previous fiscal year. As a result, consolidated sales revenue was ¥219,925 million, up 5.0% year on year, business profit was ¥28,181 million, down 13.2% year on year, operating profit was ¥29,975 million, down 23.9% year on year, and profit attributable to owners of parent was ¥18,354 million, down 36.9% year on year.

Furthermore, against April announced figures, both business profit and operating profit decreased due to a significant decrease in sales revenue primarily in the Department Store Business, despite efforts to reduce selling, general, and administrative expenses.

During the six months ended August 31, 2025, the Japanese economy generally showed signs of a gradual recovery mainly due to steady personal consumption on the back of an improvement in employment and income conditions, among other factors. Meanwhile, we recognize that we need to keep a close eye on the downward pressure on consumer sentiment due mainly to the outlook for domestic and overseas economies and rising prices amid mounting uncertainties due to the impact of U.S. trade policies and increasing geopolitical risks, etc.

Under these circumstances, in the Medium-term Business Plan (FY2024-FY2026) which began in the previous fiscal year, the Group is 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 business, as an expansion of content for the premium and aspirational consumer group, in the Department Store Business, we implemented a large-scale renovation of the Matsuzakaya Nagoya store in the previous year to cultivate loyalty among existing customers and attract next-generation customers, and finished the renewal of the Main Building at the end of August. Additionally, the official store for the Expo 2025 Osaka, Kansai that convey Japan's sense of aesthetics, culture, and traditions, has continuously been well received by many customers. In the SC Business, we promoted a large-scale renovation of flagship stores such as Shibuya PARCO, Hiroshima PARCO, Sendai PARCO. At Shibuya PARCO in particular, we conducted a large-scale renovation of approximately 80 retail units based on a theme of "global niche," and opened an IP contents store, the first of its kind in Japan and the world.

To evolve Group synergies, we have initiated regional events to create vibrancy and further improve the competitive superiority in the Nagoya area, which is positioned as a key area. This includes major store renovations, the development of new commercial facilities, and strengthening the collaborative structure with regional stakeholders. In order to expand the Group's customer base, following the launch of the GINZA SIX Card and PARCO Card in the previous fiscal year, we launched the Hakata Daimaru Card in March. With regard to ownership and development of in-house content, we established JFR & KOMEHYO PARTNERS Co., Ltd., a reuse business joint venture company with Komehyo Co., Ltd.,

and opened “MEGRUS” branded product repurchasing specialist shops in Matsuzakaya Nagoya and Daimaru Tokyo in August. Additionally, PARCO Co., Ltd. made a full-scale entry into the game publishing business, and launched the new “PARCO GAMES” label in August. It plans to launch a total of three spirited indie game titles from Japan and overseas in the winter of 2025.

As part of efforts to strengthen the Group’s management foundation, under our financial strategy, with the aim of improving medium- to long-term return on equity and optimizing equity capital, we conducted the purchase of treasury shares for ¥15 billion in total. In order to promote sustainability management aimed at tackling social issues and finding solutions for them through business, we issued the second round of “Sustainability Bonds” following May 2021.

Business results by segment are as follows.

Due to reorganization within the Group as of September 1, 2024, a part of the management business of J. Front One Partner 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 28, 2025 (as of March 1, 2024).

<Department Store Business>

(Millions of yen, %)	Six months ended August 31, 2025 (from March to August)			Against April announced figures	
	Results	Year-on-year changes			
		Change in amount	Change in percentage		
Sales revenue	129,612	2,333	1.8	(4,388)	
Business profit	16,001	(4,071)	(20.3)	(4,099)	
Operating profit	16,649	(2,718)	(14.0)	(3,751)	

With regard to the performance of the Department Store Business in the six months ended August 31, 2025, sales revenue was ¥129,612 million, up 1.8% year on year, business profit was ¥16,001 million, down 20.3% year on year, and operating profit was ¥16,649 million, down 14.0% year on year. While duty-free sales declined primarily for luxury items including luxury brands in conjunction with exchange rate fluctuations, etc., sales to domestic customers were firm. By store, the Daimaru Umeda store recorded a sharp increase in sales owing especially to significantly increased customer traffic following the start of Expo 2025 Osaka, Kansai and other factors. On the other hand, the Daimaru Shinsaibashi store and the Daimaru Kyoto store experienced a decline in sales mainly due to the decrease in duty-free sales. Business profit and operating profit decreased due to an increase in fees and higher business consignment expenses.

Furthermore, against April announced figures, both business profit and operating profit decreased due to a significant decline in sales revenue, primarily in duty-free sales, despite efforts to reduce selling, general, and administrative expenses.

Amidst highly uncertain business environment, we are steadily promoting key strategies based on the Medium-term Business Plan. Specifically, to enhance content that is unique to the Company, at the Expo 2025 Osaka, Kansai official store, we have leveraged the discerning ability of Company employees to develop original products such as art pieces designed in collaboration with famous artists and apparel and general goods worked on with designer brands, which have been well received. Additionally, the “AnotherADdress” fashion subscription service operated by Daimaru Matsuzakaya Department Stores Co. Ltd. has launched the new “AnotherADdress.biz” service for corporate customers, in addition to the existing service for individual members.

Additionally, to establish our competitive superiority in affluent business fields, which are our strength, we are promoting initiatives to add depth to out-of-store organizations that provide our unique experiential value. This includes developing new customers for the expansion of our customer base, improving event and experiential content, and enhancing touchpoints to strengthen communication with customers.

<SC Business>

(Millions of yen, %)	Results	Six months ended August 31, 2025 (from March to August)		
		Year-on-year changes		Against April announced figures
		Change in amount	Change in percentage	Change in amount
Sales revenue	33,114	1,303	4.1	214
Business profit	8,325	489	6.2	525
Operating profit	9,538	2,420	34.0	1,338

With regard to the performance of the SC Business in the six months ended August 31, 2025, sales revenue was ¥33,114 million, up 4.1% year on year, business profit was ¥8,325 million, up 6.2% year on year, and operating profit was ¥9,538 million, up 34.0% year on year.

Sales revenue increased year on year due to growth in areas such as increased store leasing revenue, owing to the continued strong performance of domestic and duty-free transaction volume, and payment fee income, among other factors. As a result, business profit and operating profit both increased.

Furthermore, against April announced figures, both business profit and operating profit increased due to efforts to curb costs and operating revenue exceeding the plan.

As a key strategy of the Medium-term Business Plan, we are promoting building frame restructuring that will structurally evolve store operations. Specifically, we advanced a large-scale renovation of Shibuya PARCO, which celebrated its 5th anniversary since its reconstruction renewal in November of the previous year; we strengthened content originating from Japan based on the theme of “global niche” with the July opening of the world’s first official experiential shop for a popular manga series and the first flagship store in Japan for a popular game company, etc. Additionally, we opened an entertainment floor at Hiroshima PARCO and implemented a large-scale renovation of Sendai PARCO and its entertainment shops, the largest of its kind since the building was opened.

In regard to expansion of contents business, in August, we opened the first overseas store for a restaurant, which has gained popularity in four PARCO locations (Ikebukuro, Nagoya, Shinsaibashi, and Hiroshima), in Langham Place, a major commercial facility in Hong Kong. In addition, by utilizing PARCO’s unique discernment ability and creativity cultivated through businesses in culture domains such as fashion, entertainment, and art, we made a full-scale entry into the game publishing business, and launched the new “PARCO GAMES” label.

<Developer Business>

(Millions of yen, %)	Results	Six months ended August 31, 2025 (from March to August)		
		Year-on-year changes		Against April announced figures
		Change in amount	Change in percentage	Change in amount
Sales revenue	43,293	4,235	10.8	2,793
Business profit	4,447	98	2.3	1,847
Operating profit	4,459	145	3.4	1,759

With regard to the performance of the Developer Business in the six months ended August 31, 2025, sales revenue was ¥43,293 million, up 10.8% year on year, business profit was ¥4,447 million, up 2.3% year on year, and operating profit was ¥4,459 million, up 3.4% year on year.

Sales revenue increased significantly, mainly reflecting an increase in orders for luxury brand construction of J. Front Design & Construction Co., Ltd., as well as an increase in construction orders at PARCO SPACE SYSTEMS Co., Ltd. As a result, business profit and operating profit both increased.

Against April announced figures, both business profit and operating profit increased due to an increase in gross profit and the curbing of cost.

As a key area strategy for the Company, the development plans for “The Landmark Nagoya Sakae” and the “Shinsaibashi project (tentative name)” (Shinsaibashi, Osaka), both scheduled for completion and

opening in FY2026, are progressing steadily. For the “Tenjin 2-chome South Block Station-front East West Street Area Project (tentative name)” each company of the Group has been working together with the local community to advance the redevelopment project. Focusing on these plans and others, we will continue to enhance our presence and generate synergies in each area with the retail business at the core.

<Payment and Finance Business>

(Millions of yen, %)	Six months ended August 31, 2025 (from March to August)			Against April announced figures	
	Results	Year-on-year changes			
		Change in amount	Change in percentage		
Sales revenue	6,620	131	2.0	(655)	
Business profit	449	(613)	(57.7)	(598)	
Operating profit	429	(471)	(52.3)	(568)	

With regard to the performance of the Payment and Finance Business in the six months ended August 31, 2025, sales revenue was ¥6,620 million, up 2.0% year on year, business profit was ¥449 million, down 57.7% year on year, and operating profit was ¥429 million, down 52.3% year on year.

Sales revenue increased partly due to an expansion in card transaction volume, transaction volume in the affiliate business, etc., despite an increase in point cost. Business profit and operating profit decreased due to an increase in costs for acquiring members associated with the issuance of new cards and advertising expenses, as well as increased personnel expenses for the consolidation of Group cards.

Furthermore, against April announced figures, both business profit and operating profit decreased due to an underperformance in sales revenue associated with the failure to achieve targets for card transaction volume.

Under such circumstances, regarding acquisition of card members, following the new issuance of the PARCO Card in February and the Hakata Daimaru Card in March, we completed the consolidation of Group cards, and are promoting measures for the acquisition of members in collaboration with each company for the expansion of the card membership base. Furthermore, in addition to use promotion initiatives, we are implementing credit limit expansion and optimization to expand card transaction volume and other measures. Additionally, in the finance field, which we have been strengthening from the previous fiscal year, the finance balance for Daimaru Matsuzakaya Cards reached a record high level. In the Affiliated Store Business, we are working on acquiring affiliates mainly in key areas, and transaction volume has increased due to the expansion of acquiring operations at the Group commercial facilities and other factors. Also, regarding our initiative to combat the unauthorized use of credit cards, a challenge for the industry, the effect of various measures has led to a reduction in unauthorized use, and we will continue to implement measures.

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

(Millions of yen, %)	As of February 28, 2025	As of August 31, 2025	Change in amount
Current assets	241,045	225,394	(15,651)
Non-current assets	923,101	914,713	(8,388)
Total assets	1,164,147	1,140,108	(24,039)
Current liabilities	341,341	326,345	(14,996)
Non-current liabilities	399,570	396,312	(3,258)
Total liabilities	740,911	722,657	(18,254)
Equity attributable to owners of parent	409,646	404,885	(4,761)
Ratio of equity attributable to owners of parent to total assets	35.2	35.5	0.3
Total equity	423,235	417,450	(5,785)

Total assets as of August 31, 2025 was ¥1,140,108 million, a decrease of ¥24,039 million compared with February 28, 2025. Total liabilities was ¥722,657 million, a decrease of ¥18,254 million compared with February 28, 2025. Total equity was ¥417,450 million, a decrease of ¥5,785 million compared with February 28, 2025.

(3) Overview of cash flow position for the period

(Millions of yen)	Six months ended August 31, 2024	Six months ended August 31, 2025	Change in amount
Net cash flows from (used in) operating activities	48,982	33,548	(15,434)
Net cash flows from (used in) investing activities	(9,970)	(4,605)	5,365
Free cash flows	39,011	28,943	(10,068)
Net cash flows from (used in) financing activities	(51,071)	(42,851)	8,220
Net increase (decrease) in cash and cash equivalents	(12,059)	(13,908)	(1,849)

	As of February 28, 2025	As of August 31, 2025	Change in amount
Cash and cash equivalents at end of period	54,975	40,958	(14,017)

The balance of cash and cash equivalents (hereinafter “cash”) as of August 31, 2025 amounted to ¥40,958 million, down ¥14,017 million compared with February 28, 2025 (¥54,975 million).

Cash flow positions in the six months ended August 31, 2025 and the factors for these were as follows.

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

Net cash provided by operating activities was ¥33,548 million. In comparison with the six months ended August 31, 2024, cash provided decreased by ¥15,434 million, mainly due to an increase in income taxes paid.

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

Net cash used in investing activities was ¥4,605 million. In comparison with the six months ended August 31, 2024, cash used decreased by ¥5,365 million, mainly due to a rebound effect from the purchase of shares of subsidiaries resulting in change in scope of consolidation in the previous year.

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

Net cash used in financing activities was ¥42,851 million. In comparison with the six months ended August 31, 2024, cash used decreased by ¥8,220 million mainly due to proceeds from issuance of bonds, despite an increase in purchase of treasury shares.

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

We hereby announce that the forecasts for the fiscal year ending February 28, 2026 announced in the consolidated financial results released on April 14, 2025 have been revised as described below.

1) Revisions to the consolidated earnings forecasts for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

	Gross sales	Sales revenue	Business profit	Operating profit	Profit before tax
Previous forecasts (A)	Millions of yen 1,316,000	Millions of yen 459,000	Millions of yen 54,000	Millions of yen 50,000	Millions of yen 45,500
Revised forecasts (B)	1,293,000	452,000	48,500	44,000	39,500
Change in amount (B) – (A)	(23,000)	(7,000)	(5,500)	(6,000)	(6,000)
Change (%)	(1.7)	(1.5)	(10.2)	(12.0)	(13.2)
[Reference] Previous fiscal year's results (fiscal year ended February 28, 2025)	1,268,322	441,877	53,490	58,199	55,785

	Profit attributable to owners of parent	Basic earnings per share
Previous forecasts (A)	Millions of yen 30,000	Yen 120.93
Revised forecasts (B)	26,000	103.13
Change in amount (B) – (A)	(4,000)	
Change (%)	(13.3)	
[Reference] Previous fiscal year's results (fiscal year ended February 28, 2025)	41,424	160.35

2) Reasons for the revisions to the consolidated earnings forecasts

In the six months ended August 31, 2025, while the SC Business and Developer Business showed robust progress exceeding initial plans, the Department Store Business saw a significant decline in sales revenue, primarily in duty-free sales, resulting in a decrease in both business profit and operating profit compared to the plan. In addition to the results for the six months ended August 31, 2025, after reviewing the earnings assumptions for the third quarter and beyond, we anticipate decreases at each line of profit in the earnings forecast for the fiscal year ending February 28, 2026, compared to the previously announced forecast.

No changes have been made to the dividend forecast.

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

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

	As of February 28, 2025	As of August 31, 2025
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	54,975	40,958
Trade and other receivables	156,663	156,605
Other financial assets	8,690	9,609
Inventories	12,662	12,245
Other current assets	6,421	5,975
Subtotal	<u>239,414</u>	<u>225,394</u>
Assets held for sale	1,631	–
Total current assets	<u>241,045</u>	<u>225,394</u>
Non-current assets		
Property, plant and equipment	469,417	467,829
Right-of-use assets	136,389	128,818
Goodwill	6,799	6,799
Investment property	177,176	179,602
Intangible assets	8,350	8,361
Investments accounted for using equity method	27,840	27,695
Other financial assets	81,535	79,931
Deferred tax assets	3,190	3,247
Other non-current assets	12,402	12,426
Total non-current assets	<u>923,101</u>	<u>914,713</u>
Total assets	<u>1,164,147</u>	<u>1,140,108</u>

	As of February 28, 2025	As of August 31, 2025
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	53,330	46,230
Trade and other payables	162,810	158,230
Lease liabilities	25,294	25,431
Other financial liabilities	28,262	28,049
Income tax payables	11,576	9,841
Provisions	785	121
Other current liabilities	59,280	58,442
Total current liabilities	<u>341,341</u>	<u>326,345</u>
Non-current liabilities		
Bonds and borrowings	136,728	138,740
Lease liabilities	148,225	142,315
Other financial liabilities	33,368	32,950
Retirement benefit liabilities	15,369	15,426
Provisions	5,905	6,054
Deferred tax liabilities	59,519	60,359
Other non-current liabilities	453	465
Total non-current liabilities	<u>399,570</u>	<u>396,312</u>
Total liabilities	<u>740,911</u>	<u>722,657</u>
Equity		
Capital	31,974	31,974
Share premium	188,081	187,248
Treasury shares	(23,940)	(38,615)
Other components of equity	14,219	14,310
Retained earnings	199,311	209,967
Total equity attributable to owners of parent	<u>409,646</u>	<u>404,885</u>
Non-controlling interests	13,588	12,565
Total equity	<u>423,235</u>	<u>417,450</u>
Total liabilities and equity	<u>1,164,147</u>	<u>1,140,108</u>

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

	Six months ended August 31, 2024	Six months ended August 31, 2025
	Millions of yen	Millions of yen
Sales revenue	209,368	219,925
Cost of sales	<u>(100,921)</u>	<u>(112,394)</u>
Gross profit	108,446	107,531
 Selling, general and administrative expense	 (75,970)	 (79,350)
Other operating income	8,906	2,938
Other operating expenses	<u>(2,018)</u>	<u>(1,144)</u>
Operating profit	39,364	29,975
 Finance income	 424	 419
Finance costs	<u>(2,146)</u>	<u>(3,078)</u>
Share of profit (loss) of investments accounted for using equity method	621	558
Profit before tax	38,263	27,874
 Income tax expense	 <u>(9,017)</u>	 <u>(9,554)</u>
Profit	<u>29,245</u>	<u>18,320</u>
 Profit attributable to:		
Owners of parent	29,094	18,354
Non-controlling interests	<u>150</u>	<u>(34)</u>
Profit	<u>29,245</u>	<u>18,320</u>
 Earnings per share		
Basic earnings per share (Yen)	111.86	72.80
Diluted earnings per share (Yen)	111.79	72.74

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

	Six months ended August 31, 2024	Six months ended August 31, 2025
	Millions of yen	Millions of yen
Profit	29,245	18,320
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	546	196
Share of other comprehensive income of entities accounted for using equity method	0	0
Total items that will not be reclassified to profit or loss	546	196
Items that may be reclassified to profit or loss		
Cash flow hedges	(53)	34
Exchange differences on translation of foreign operations	181	(154)
Share of other comprehensive income of entities accounted for using equity method	(2)	–
Total items that may be reclassified to profit or loss	125	(120)
Other comprehensive income, net of tax	671	76
Comprehensive income	<u>29,917</u>	<u>18,396</u>
Comprehensive income attributable to:		
Owners of parent	29,767	18,432
Non-controlling interests	150	(35)
Comprehensive income	<u>29,917</u>	<u>18,396</u>

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

Six months ended August 31, 2024

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

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

Six months ended August 31, 2025

	Equity attributable to owners of parent					
	Capital	Share premium	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2025	31,974	188,081	(23,940)	525	(29)	13,722
Profit	—	—	—	—	—	—
Other comprehensive income	—	—	—	(154)	34	197
Total comprehensive income	—	—	—	(154)	34	197
Purchase of treasury shares	—	(63)	(15,004)	—	—	—
Dividends	—	—	—	—	—	—
Share-based payment transactions	—	(13)	329	—	—	—
Change due to capital increase of consolidated subsidiaries	—	—	—	—	—	—
Obtaining of control of subsidiaries	—	—	—	—	—	—
Changes in ownership interests in subsidiaries	—	(756)	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	—	—	13
Total transactions with owners	—	(833)	(14,674)	—	—	13
Balance at August 31, 2025	<u>31,974</u>	<u>187,248</u>	<u>(38,615)</u>	<u>371</u>	<u>5</u>	<u>13,933</u>
Equity attributable to owners of parent						
	Other components of equity					
	Remeasurements of defined benefit plans	Retained earnings		Total	Non-controlling interests	Total
		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2025	—	14,219	199,311	409,646	13,588	423,235
Profit	—	—	18,354	18,354	(34)	18,320
Other comprehensive income	—	77	—	77	(1)	76
Total comprehensive income	—	77	18,354	18,432	(35)	18,396
Purchase of treasury shares	—	—	—	(15,068)	—	(15,068)
Dividends	—	—	(7,685)	(7,685)	(94)	(7,780)
Share-based payment transactions	—	—	—	316	—	316
Change due to capital increase of consolidated subsidiaries	—	—	—	—	1	1
Obtaining of control of subsidiaries	—	—	—	—	324	324
Changes in ownership interests in subsidiaries	—	—	—	(756)	(1,218)	(1,974)
Transfer from other components of equity to retained earnings	—	13	(13)	—	—	—
Total transactions with owners	—	13	(7,698)	(23,194)	(987)	(24,181)
Balance at August 31, 2025	<u>—</u>	<u>14,310</u>	<u>209,967</u>	<u>404,885</u>	<u>12,565</u>	<u>417,450</u>

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

	Six months ended August 31, 2024	Six months ended August 31, 2025
	Millions of yen	Millions of yen
Cash flows from (used in) operating activities		
Profit before tax	38,263	27,874
Depreciation and amortization expense	22,844	22,828
Finance income	(424)	(419)
Finance costs	2,146	3,078
Share of loss (profit) of investments accounted for using equity method	(621)	(558)
Loss (gain) on sales of non-current assets	–	(1,817)
Loss on disposals of non-current assets	925	671
Gain on step acquisition	(8,525)	–
Decrease (increase) in inventories	2,445	417
Decrease (increase) in trade and other receivables	(5,209)	(888)
Increase (decrease) in trade and other payables	(104)	(3,222)
Increase (decrease) in retirement benefit liabilities	213	56
Decrease (increase) in retirement benefit assets	(25)	2
Other, net	1,610	(1,662)
Subtotal	53,537	46,360
Interest received	71	77
Dividends received	103	120
Interest paid	(2,255)	(2,942)
Income taxes paid	(6,169)	(10,604)
Income taxes refund	3,695	536
Net cash flows from (used in) operating activities	48,982	33,548
Cash flows from (used in) investing activities		
Purchase of property, plant and equipment	(4,269)	(7,420)
Proceeds from sales of property, plant and equipment, and intangible assets	0	3,398
Purchase of investment property	(66)	(308)
Proceeds from sales of investment property	–	679
Purchase of intangible assets	(1,540)	(1,770)
Purchase of investment securities	(225)	(368)
Proceeds from sales of investment securities	947	295
Proceeds from refund of guarantee deposits	2,208	2,121
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,220)	–
Other, net	(803)	(1,232)
Net cash flows from (used in) investing activities	(9,970)	(4,605)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	–	(15,000)
Repayments of non-current borrowings	(465)	(19,965)
Proceeds from issuance of bonds	–	29,849
Redemption of bonds	(20,000)	–
Repayments of lease liabilities	(13,748)	(13,270)
Purchase of treasury shares	(11,571)	(15,068)
Dividends paid	(5,224)	(7,654)
Dividends paid to non-controlling interests	(64)	(94)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(1,970)
Other, net	2	320
Net cash flows from (used in) financing activities	(51,071)	(42,851)
Net increase (decrease) in cash and cash equivalents	(12,059)	(13,908)
Cash and cash equivalents at beginning of period	71,342	54,975
Effect of exchange rate changes on cash and cash equivalents	128	(108)
Cash and cash equivalents at end of period	<u>59,411</u>	<u>40,958</u>

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

(Notes on premise of going concern)

No items to report.

(Segment information)

(1) Overview of reportable segments

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

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

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

Due to reorganization within the Group as of September 1, 2024, a part of the management business of J. Front One Partner 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 28, 2025 (as of March 1, 2024).

(2) Segment revenue and business results

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

Six months ended August 31, 2024

	Reportable segments								
	Department Store Business	SC Business	Developer Business	Payment and Finance Business	Total	Other	Total	Adjustments	Consolidated
									Millions of yen
External revenue	127,086	31,290	30,511	2,894	191,782	17,580	209,363	4	209,368
Inter-segment revenue	193	521	8,546	3,595	12,856	4,794	17,650	(17,650)	–
Total	127,279	31,811	39,058	6,489	204,639	22,374	227,014	(17,645)	209,368
Segment profit	19,367	7,118	4,314	900	31,700	360	32,060	7,303	39,364
Finance income									424
Finance costs									(2,146)
Share of profit (loss) of investments accounted for using equity method									621
Profit before tax									38,263

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

2. The adjustments for segment profit include inter-segment eliminations and corporate income and expenses not attributable to any business segment. Corporate income and expenses are mainly income and expenses of the company submitting condensed semi-annual consolidated financial statements that are not attributable to any business segment.

3. Segment profit is adjusted to operating profit in the condensed semi-annual consolidated financial statements.

Six months ended August 31, 2025

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

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

2. The adjustments for segment profit include inter-segment eliminations and corporate income and expenses not attributable to any business segment. Corporate income and expenses are mainly income and expenses of the company submitting condensed semi-annual consolidated financial statements that are not attributable to any business segment.
3. Segment profit is adjusted to operating profit in the condensed semi-annual consolidated financial statements.