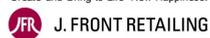


## Financial Results for First Three Months of Fiscal Year Ending February 28, 2019

<Reference data>

June 28, 2018

Create and Bring to Life "New Happiness."



### 1Q FY2018 Consolidated Results (IFRS)



- ▶ Good start of current FY driven by Department Store Business and Real Estate Business
- ▶ Business profit increased by double digits, operating profit edged up in spite of absence of gain on sales of real estate recorded in LY
- ▶ Keep unchanged Apr forecasts for business profit / operating profit / profit attributable to owners of parent

(Millions of yen, %)

Fiscal year ending February 28, 2019	1Q			1H		
	Results	YoY		Apr forecast	YoY	
		Change	% change		Change	% change
Gross sales	269,879	(5,181)	(1.9)	557,000	(1,304)	(0.2)
Sales revenue	111,073	(3,011)	(2.6)	234,000	(510)	(0.2)
Gross profit	51,745	319	0.6	106,300	1,312	1.2
SGA	39,449	(964)	(2.4)	82,000	(210)	(0.3)
Business profit	12,295	1,283	11.6	24,300	1,522	6.7
Other operating income	983	(1,835)	(65.1)	1,100	(4,586)	(80.7)
Other operating expense	280	(558)	(66.5)	1,400	(384)	(21.6)
Operating profit	12,998	6	0.0	24,000	(2,680)	(10.0)
Profit attributable to owners of parent	8,342	(378)	(4.3)	15,300	(1,015)	(6.2)

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## 1Q FY2018 Segment Information (IFRS)



- ▶ Department Store Business: Strong sales of urban stores due to active spending by inbound tourists and the affluent
- ▶ Real Estate Business: Full operation of Ginza Six and Ueno Frontier Tower, transfer of tenants around Kobe store to this segment
- ▶ Parco Business: Profit was down partly due to absence of reversal of allowance associated with Otsu Parco recorded in LY

(Millions of yen, %)

First three months of fiscal year ending February 28, 2019	Business profit			Operating profit		
	Results	YoY		Results	YoY	
		Change	% change		Change	% change
Department Store	6,674	924	16.1	6,850	(220)	(3.1)
Parco	2,283	(524)	(18.7)	2,750	(747)	(21.4)
Real Estate	1,565	1,082	223.5	1,607	1,170	267.3
Credit and Finance	734	(87)	(10.7)	738	(83)	(10.1)
Other	733	(282)	(27.8)	725	(280)	(27.8)
<b>Total</b>	<b>12,295</b>	<b>1,283</b>	<b>11.6</b>	<b>12,998</b>	<b>6</b>	<b>0.0</b>

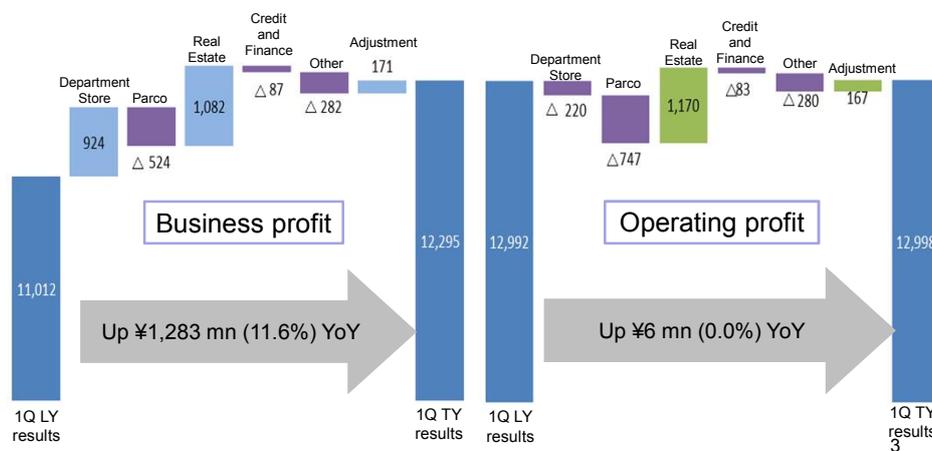
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## 1Q FY2018 Segment Information (IFRS)



1Q FY2018 analysis of changes in consolidated business profit / operating profit by segment

(Millions of yen)



1Q FY2018 Daimaru Matsuzakaya Department Stores (IFRS)  J. FRONT RETAILING

- ▶ LFL gross sales increased for 15 months in a row driven by spending by inbound tourists and the affluent
- ▶ Full operation of newly opened Ginza Six and Ueno Frontier Tower  
Tenants around Kobe store transferred to Real Estate Business
- ▶ Strong business profit with two-digit growth in Department Store Business /  
threefold growth in Real Estate Business, up 30% in total

(Millions of yen, %)

First three months of fiscal year ending February 28, 2019	Department Store Business			Real Estate Business			Total Daimaru Matsuzakaya Department Stores		
	Results	YoY		Results	YoY		Results	YoY	
		Change	% change		Change	% change		Change	% change
Gross sales	158,158	4,649	3.0	4,191	1,618	62.9	162,290	6,228	4.0
Sales revenue	58,966	2,614	4.6	4,143	1,676	67.9	63,050	4,250	7.2
Gross profit	34,708	1,043	3.1	2,198	990	82.0	36,742	1,888	5.4
SGA	28,595	105	0.4	632	(92)	(12.7)	29,063	(132)	(0.4)
Business profit	6,113	938	18.1	1,565	1,082	224.0	7,678	2,019	35.7
Other operating income	289	(1,234)	(81.0)	58	(199)	(77.4)	347	(1,433)	(80.5)
Other operating expense	123	(63)	(33.9)	17	(287)	(94.4)	140	(350)	(71.3)
Operating profit	6,278	(233)	(3.6)	1,607	1,170	267.7	7,885	936	13.5

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1Q FY2018 Daimaru Matsuzakaya Department Stores SGA  J. FRONT RETAILING

- ▶ In spite of cost rise pressure in many cases, thorough cost control in total

First three months of fiscal year ending February 28, 2019	Results (Millions of yen)	Change (Millions of yen)	Change (%)	Main causes of changes
Personnel	6,357	(75)	(1.2)	Personnel structure reform, attrition, etc.
Advertising	2,269	(359)	(13.6)	Absence of promotions for Ginza Six and 300th anniversary conducted in LY
Packaging and delivery	358	(72)	(16.9)	Revision of delivery charges on customers
Rent	4,164	(287)	(6.4)	Closing of Daimaru Urawa Parco, tenants around a store placed under fixed-term lease
Depreciation	2,115	19	0.9	Increase in capital expenditures (safety and security, etc.)
Operation	2,370	83	3.6	Operation costs for facilities, computer systems, etc.
Other	11,428	560	5.2	Increase in supplies expenses (utility costs), etc.
Total	29,063	(132)	(0.4)	

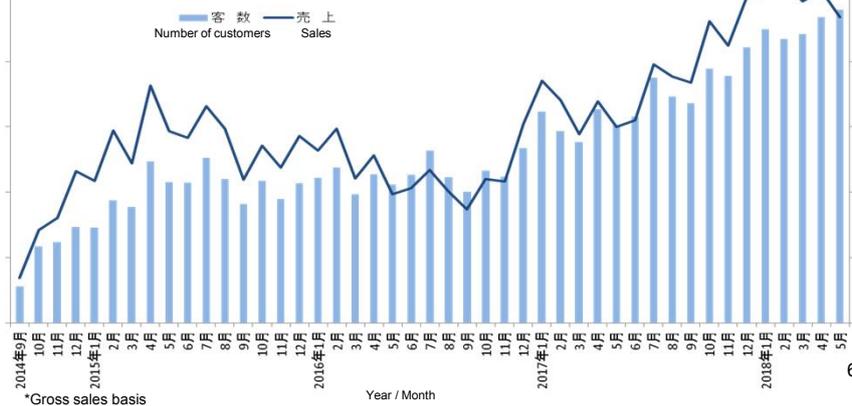
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# 1Q FY2018 Sales to Inbound Tourists



- ▶ Success of sales floor renovation, acceptance of mobile payments, stronger promotion to attract inbound tourists
- ▶ Tax-free sales in 1Q: ¥14.6 bn, up 58.3% YoY, sales share above 9%
- ▶ Number of customers up 53.2%, sales of cosmetics up 82.3%, luxury up 64.4%, timepieces up 83.0%

<Daimaru Matsuzakaya Department Stores tax-free sales and number of customers>



Website <http://www.j-front-retailing.com>

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"New Happiness."



**J. FRONT RETAILING**

Forward-looking statements in this document represent our assumptions based on information currently available to us and inherently involve potential risks, uncertainties and other factors. Therefore, actual results may differ materially from the results anticipated herein due to changes in various factors.