

Business Overview (FY2020) At a Glance



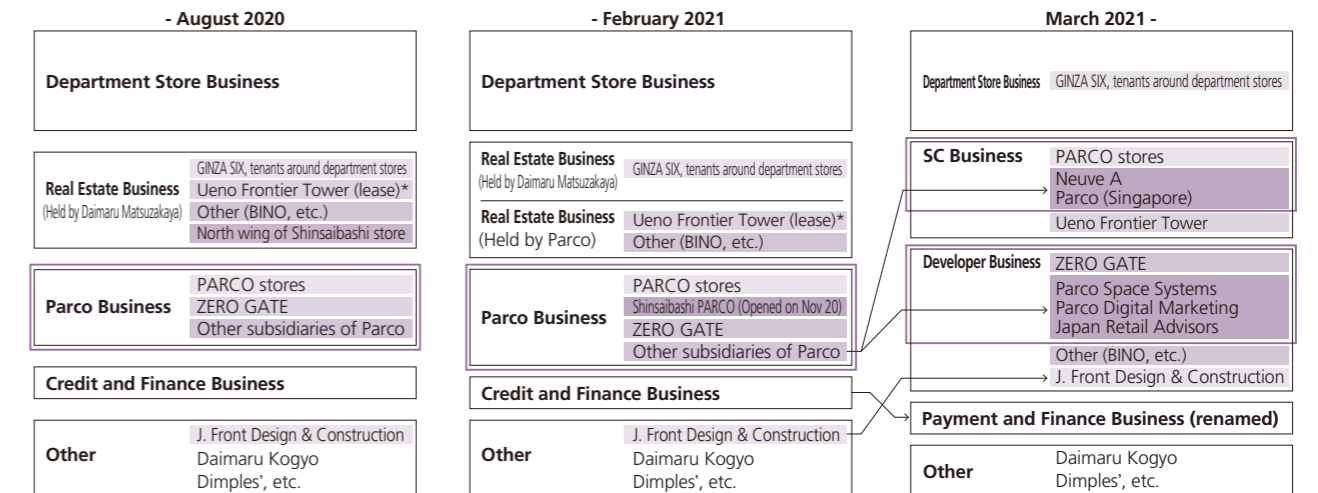
● The percentage of total revenue represents the ratio of revenue to external customers after eliminating intersegment transactions.
 ● Revenue and operating profit include intersegment transactions.

Reference New lease accounting standards (IFRS 16)

● The Group recognized right-of-use assets and lease liabilities on the effective date of IFRS 16 for leases previously classified as operating leases in accordance with IAS 17. Lease liabilities are measured at the present value of the total outstanding lease payments discounted using the borrower's additional borrowing interest rate at the start date of application. Right-of-use assets are measured retrospectively as if IFRS 16 had been applied from the inception date of the lease.
 ● As a result, assets and liabilities increased by ¥210.6 billion and ¥225.2 billion, respectively, and equity decreased by ¥14.5 billion in the consolidated statement of financial position at the beginning of fiscal 2019. In the consolidated statement of profit or loss for fiscal 2019, operating profit increased by approximately ¥4.6 billion compared with the previous accounting standard (prior to the adoption of IFRS 16), but the impact on profit was immaterial.

Changes in reportable segments

Effective from March 2021, the Group changed its reportable segments to Department Store Business, SC Business, Developer Business, and Payment and Finance Business. For details of these changes, please refer to the diagram below.



**Ueno Frontier Tower (lease)* up to February 2021 includes real estate lease revenue from Parco Co., Ltd. on PARCO_ya Ueno. * shows the scope of the former Parco Business.

Outlook

With regard to COVID-19, while preparations are being made to spread vaccination, currently variants are spreading rapidly and the situation remains unpredictable. In these circumstances, we think the vaccination rate provides criteria for domestic economic activities and closely re-examined the top line under the expected scenario for the year that considers restrictions on behavior and consumer spending in advanced nations in vaccination. And we assumed that restrictions on travel, etc. will be eased in Japan when vaccination rate reaches 50% and that the situation will return to almost normal when vaccination rate reaches 70%. Though it depends on the progress of vaccination in the future, based on our assumption that the vaccination rate will reach 50% in November and that 70% or more will be vaccinated twice in January, we created a scenario that consumer spending will begin to recover gradually in November and start to show a full recovery trend in January. Under this scenario, we revised the forecasts for the top line and each profit item at the end of the first quarter.

State of vaccination	Restrictions on travel	Consumer spending	Request to close stores	Trend of H2 FY2021
Nov	Vaccination rate reaches 50%	Restrictions are eased	Recover gradually	No
Jan	More than 70% are vaccinated twice	Restrictions on travel in Japan are lifted	Full-scale recovery trend	

Department Store / SC Recover gradually toward the end of FY2021, inbound sales are the same as FY2020 level
 Developer/Finance As originally planned

Consolidated full year forecast FY 2021 (IFRS)

(Billions of yen, unless otherwise stated)

Fiscal year ending February 28, 2022	H1			H2			Full year		
	Forecast	YoY %	vs. Apr forecast	Forecast	YoY %	vs. Apr forecast	Forecast	YoY %	vs. Apr forecast
Gross sales	415.0	29.8	(55.0)	520.0	16.4	(15.0)	935.0	22.0	(70.0)
Revenue	165.0	11.9	(15.0)	200.0	16.5	(14.0)	365.0	14.4	(29.0)
Gross profit (loss)	72.0	21.0	(9.5)	83.0	10.8	(9.5)	155.0	15.5	(19.0)
SGA	68.5	15.4	(6.5)	74.5	2.4	(6.0)	143.0	8.5	(12.5)
Business profit (loss)	3.5	-	(3.0)	8.5	304.0	(3.5)	12.0	402.9	(6.5)
Other operating income	1.0	(74.2)	0.0	6.0	197.0	5.5	7.0	28.1	5.5
Other operating expenses	7.0	(71.6)	3.5	6.0	(16.3)	1.0	13.5	(57.0)	4.5
Operating profit (loss)	(2.5)	-	(6.5)	8.0	-	1.0	5.5	-	(5.5)
Profit (loss) attributable to owners of parent	(3.0)	-	(4.0)	4.0	-	1.0	1.0	-	(3.0)

Segment full year forecast FY2021 (IFRS)

(Billions of yen, unless otherwise stated)

		H1			H2			Full year		
		Forecast	YoY %	vs. FY2019 %	Forecast	YoY %	vs. FY2019 %	Forecast	YoY %	vs. FY2019 %
Gross sales	Department Store	256.5	35.1	(27.7)	331.6	17.3	(8.0)	588.1	24.4	(17.8)
	SC	110.2	38.7	(20.6)	128.5	10.8	(22.6)	238.7	22.1	(21.7)
	Developer	28.4	(8.2)	(15.4)	31.9	36.6	(38.4)	60.3	11.1	(29.4)
	Payment and Finance	6.8	30.7	15.6	7.7	22.3	22.1	14.5	26.1	18.9
	Other	43.0	7.6	(11.1)	43.9	(11.1)	(3.8)	86.9	(2.7)	(7.5)
Consolidation adjustments		(29.8)	--	--	(23.6)	--	--	(53.4)	--	--
Total consolidated		415.0	29.8	(24.0)	520.0	16.4	(12.8)	935.0	22.0	(18.2)
Business profit (loss)	Department Store	(1.1)	--	--	4.4	--	(69.6)	3.3	--	(88.6)
	SC	2.9	100.4	(43.7)	1.5	492.6	(46.4)	4.4	157.8	(44.6)
	Developer	1.4	(51.6)	(69.1)	1.6	19.8	(53.0)	3.1	(25.3)	(60.6)
	Payment and Finance	0.2	(43.4)	(80.2)	0.7	--	(20.9)	0.9	294.4	(51.4)
	Other	0.4	(61.7)	(73.8)	0.5	(54.6)	(34.3)	1.0	(57.6)	(58.5)
Consolidation adjustments		(0.4)	--	--	(0.3)	--	--	(0.7)	--	--
Total consolidated		3.5	--	(85.3)	8.5	304.0	(60.7)	12.0	402.9	(73.4)
Operating profit (loss)	Department Store	(5.0)	76.4	--	3.5	--	(49.6)	(1.5)	--	--
	SC	0.4	--	(93.6)	1.4	--	(68.5)	1.8	--	(81.8)
	Developer	2.1	(13.8)	(69.8)	1.7	63.2	(50.8)	3.8	10.3	(62.6)
	Payment and Finance	0.2	(38.1)	(78.5)	0.6	--	(15.7)	0.9	275.6	(48.9)
	Other	0.4	(4.2)	(72.9)	0.5	(65.7)	(32.4)	0.9	(50.1)	(56.0)
Consolidation adjustments		(0.6)	--	--	0.2	--	--	(0.4)	--	--
Total consolidated		(2.5)	87.8	--	8.0	--	(46.6)	5.5	--	(86.2)