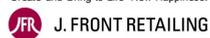


## Financial Results for Third Quarter of Fiscal Year Ending February 28, 2019

<Reference data>

December 27, 2018

Create and Bring to Life "New Happiness."



### 3Q FY2018 Consolidated Results (IFRS)



- ▶ Sales decreased due to sluggish performance of Parco Business and Other in spite of increased sales of Department Store Business and Real Estate Business
- ▶ Business profit, operating profit and profit decreased partly due to increased costs for the future incurred mainly by Department Store
- ▶ Keep unchanged Oct forecasts for all profit items with efforts to decrease discrepancies in spite of slightly severe progress partly affected by natural disasters in Sep (Millions of yen, %)

Fiscal year ending February 28, 2019	3Q			Nine months ended November 30, 2018		
	Results	YoY		Results	YoY	
		Change	% change		Change	% change
Gross sales	266,569	(2,163)	(0.8)	813,679	(13,357)	(1.6)
Sales revenue	106,401	(1,584)	(1.5)	333,608	(8,887)	(2.6)
Gross profit	50,096	(570)	(1.1)	155,047	(608)	(0.4)
SGA	40,743	1,082	2.7	121,422	(450)	(0.4)
Business profit	9,353	(1,651)	(15.0)	33,625	(157)	(0.5)
Other operating income	858	67	8.5	2,512	(3,965)	(61.2)
Other operating expense	576	(39)	(6.3)	2,284	(115)	(4.8)
Operating profit	9,635	(1,545)	(13.8)	33,853	(4,007)	(10.6)
Profit attributable to owners of parent	6,167	(1,231)	(16.6)	22,077	(1,636)	(6.9)

1

## 3Q FY2018 Segment Information (IFRS)



- ▶ Department Store Business: Increased system and other costs, sluggish sales of rural stores, affected by opportunity loss in Sep
- ▶ Real Estate Business: Stable sales of Ginza Six, contribution by full operation of Ueno FT, increased sales due to transfer of tenants around Kobe store to this segment
- ▶ Parco Business: Sluggish sales of clothes and rural stores
- ▶ Other: Sluggish performance of Daimaru Kogyo and J. Front Design & Construction

(Millions of yen, %)

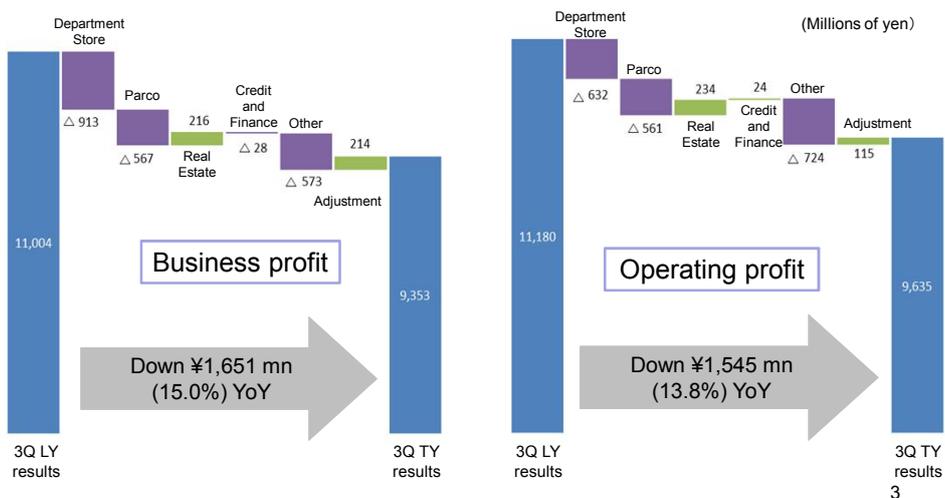
Three months ended November 30, 2018	Business profit			Operating profit		
	Results	YoY		Results	YoY	
		Change	% change		Change	% change
Department Store	4,072	(913)	(18.3)	3,973	(632)	(13.7)
Parco	1,910	(567)	(22.9)	2,432	(561)	(18.7)
Real Estate	1,659	216	15.0	1,630	234	16.8
Credit and Finance	891	(28)	(3.1)	893	24	2.7
Other	642	(573)	(47.1)	527	(724)	(57.9)
<b>Total</b>	<b>9,353</b>	<b>(1,651)</b>	<b>(15.0)</b>	<b>9,635</b>	<b>(1,545)</b>	<b>(13.8)</b>

2

## 3Q FY2018 Segment Information (IFRS)



3Q FY2018 (total Sep to Nov) analysis of changes  
in consolidated business profit / operating profit by segment



3Q FY2018 Daimaru Matsuzakaya Department Stores (IFRS)  J. FRONT RETAILING

- ▶ Department store sales decreased affected by natural disasters in Sep but increased in Oct and Nov
- ▶ Sales of G6 remaining stable for the 2<sup>nd</sup> year, full operation of Ueno FT, transfer of tenants around Kobe store to Real Estate Business
- ▶ Business profit decreased in Department Store Business due to increased system costs and depreciation, increased by double digits in Real Estate Business

(Millions of yen, %)

Three months ended Nov 30, 2018	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	154,832	885	0.6	4,328	619	16.7	159,101	1,496	0.9
Sales revenue	55,418	222	0.4	4,281	634	17.4	59,639	845	1.4
Gross profit	33,518	64	0.2	2,208	276	14.3	35,667	332	0.9
SGA	29,971	1,036	3.6	549	60	12.3	30,460	1,087	3.7
Business profit	3,547	(971)	(21.5)	1,659	216	15.0	5,206	(756)	(12.7)
Other operating income	46	22	94.9	92	86	—	139	109	362.2
Other operating expense	133	(267)	(66.7)	121	69	129.6	254	(198)	(43.7)
Operating profit	3,460	(682)	(16.5)	1,630	234	16.8	5,091	(448)	(8.1)

4

3Q FY2018 Daimaru Matsuzakaya Department Stores SGA  J. FRONT RETAILING

- ▶ Personnel costs were reduced but mainly advertising, system and depreciation costs increased

Three months ended Nov 30, 2018	Results (Millions of yen)	Change (Millions of yen)	Change (%)	Main causes of changes
Personnel	6,440	(23)	(0.3)	Mainly attrition
Advertising	2,546	316	14.2	Strengthening of Ecoff campaign, FNO events, etc.
Packaging and delivery	500	17	3.6	Increased logistics costs
Rent	4,262	(155)	(3.5)	Transferred to rent cost after tenants around a department store were placed under fixed-term lease
Depreciation	2,366	252	11.9	Extra depreciation on north wing of Shinsaibashi store
Operation	2,770	343	14.2	Increased system costs
Other	11,572	334	3.0	
Total	30,460	1,087	3.7	

## 3Q FY2018 Sales to Inbound Tourists



- ▶ Sales to inbound tourists temporarily decreased affected by closure of KIX due to typhoon in Sep but increased by double digits in Oct and Nov
- ▶ Tax-free sales in 3Q (total Sep-Nov): ¥13.8 bn, up 10.9% YoY, sales share 9.0%
- ▶ Driven by increased number of customers (up 24.7%) in spite of decreased average spend per customer. Sales of cosmetics up 30%, share above 50%



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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.