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# Financial Results for First Quarter of Fiscal Year Ending February 28, 2022

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<Reference data>

June 29, 2021

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## 《Q1 results》

- Business profit was secured but below forecast, operating loss and net loss were recorded mainly due to temporary closures and reduction of business hours because of the state of emergency declared after forecast release in April

## 《Full year forecast》

- Expect economic recovery due to the progress of vaccination but revise full year earnings forecast taking into re-examined top line and additional profit improvement measures

## 《Financing measures》

- Continue emergency measures to ensure liquidity on hand and safety

# FY2021 Consolidated Q1 Results (IFRS)

- ▶ Gross sales: ¥190.6 billion, up 67.3% YoY
- ▶ Business profit: ¥1.2 billion, secured a profit partly due to reclassification of fixed costs of ¥3.0 billion incurred during temporary closures
- ▶ Operating profit (loss): Loss of ¥3.8 billion though improved YoY

(Billions of yen, %)

Fiscal year ending February 28, 2022	Q1				
	Results	Vs. FY2020		Vs. FY2019	
		Change	% change	Change	% change
Gross sales	<b>190.6</b>	<b>76.6</b>	<b>67.3</b>	<b>(83.3)</b>	<b>(30.4)</b>
Revenue	74.0	10.6	16.8	(38.3)	(34.1)
Gross profit	33.5	12.2	57.6	(18.6)	(35.7)
SGA	32.2	7.0	28.2	(7.4)	(18.8)
Business profit	<b>1.2</b>	<b>5.1</b>	-	<b>(11.1)</b>	<b>(89.6)</b>
Other operating income	0.4	(0.3)	(46.1)	(0.3)	(47.9)
Other operating expenses	5.5	(18.4)	(76.9)	5.0	990.4
Operating profit (loss)	<b>(3.8)</b>	<b>23.2</b>	-	<b>(16.6)</b>	-
Profit (loss) attributable to owners of parent	(3.0)	17.2	-	(10.5)	-

## FY2021 Q1 Results (IFRS)

- ▶ Department Store: Recorded business loss even after reclassification of fixed costs affected by temporary closures and reduction of business hours but improved YoY
- ▶ SC: Increased business profit but recorded operating loss due to loss of ¥1.7 billion on sale of specialty store business

(Billions of yen, %)

Fiscal year ending February 28, 2022		Q1		
		Results	YoY	
			Change	% change
Business profit (loss)	Department Store	(0.8)	3.5	-
	SC	1.4	1.3	-
	Developer	0.8	(0.2)	(20.3)
	Payment and Finance	0.0	(0.0)	(48.5)
	Other	0.3	(0.0)	(14.3)
	Total	1.2	5.1	-

Operating profit (loss)	Department Store	(3.9)	19.1	-
	SC	(0.9)	3.2	-
	Developer	0.8	0.0	11.7
	Payment and Finance	0.0	0.0	4.0
	Other	0.1	0.7	-
	Total	(3.8)	23.2	-

# FY2021 Consolidated SGA Q1 Results (IFRS)

▶ Up ¥1.6 billion from FY2020, down ¥5.5 billion from FY2019 before reclassification of fixed costs

(Billions of yen, %)

Fiscal year ending February 28, 2022	Q1				
	Results	Vs. FY2020		Vs. FY2019	
		Change	% change	Change	% change
Personnel expenses	12.6	1.8	17.0	(2.5)	(16.5)
Advertising expenses	2.6	1.0	65.4	(0.3)	(12.9)
Packing and transportation costs	0.3	0.0	4.8	(0.1)	(34.7)
Rent expenses	0.3	0.0	37.3	(0.2)	(41.1)
Depreciation	5.8	1.4	33.9	(1.4)	(19.8)
Operational costs	1.5	0.2	18.8	(0.6)	(31.2)
Other	8.8	2.3	36.3	(2.0)	(18.4)
<b>Total</b>	<b>32.2</b>	<b>7.0</b>	<b>28.2</b>	<b>(7.4)</b>	<b>(18.8)</b>

	Personnel expenses	0.4	(1.6)	(78.4)	-	-
	Depreciation	1.0	(2.0)	(66.3)	-	-
	Other	0.3	(1.7)	(81.9)	-	-
	Reclassification of fixed costs	1.8	(5.5)	(74.1)	-	-
	<b>Before reclassification</b>	<b>34.1</b>	<b>1.6</b>	<b>5.1</b>	<b>(5.5)</b>	<b>(14.0)</b>

# FY2021 Consolidated H1 Forecast (IFRS)

- ▶ Gross sales: ¥415.0 billion, up 29.8% YoY but ¥55 billion below April forecast
- ▶ Business profit: ¥3.5 billion, ¥3.0 billion below April forecast
- ▶ Operating profit (loss): Loss of ¥2.5 billion, ¥6.5 billion below April forecast

(Billions of yen, unless otherwise stated)

Fiscal year ending February 28, 2022	Q1		Q2		H1		
	Results	YoY Change	Forecast	YoY Change	Forecast	YoY Change	Vs. Apr forecast Change
Gross sales	190.6	67.3%	224.4	8.6%	415.0	29.8%	(55.0)
Revenue	74.0	16.8%	90.9	8.2%	165.0	11.9%	(15.0)
Gross profit	33.5	12.2	38.5	0.3	72.0	12.5	(9.5)
SGA	32.2	7.0	36.3	2.2	68.5	9.3	(6.5)
Business profit	1.2	5.1	2.3	(1.8)	3.5	3.2	(3.0)
Other operating income	0.4	(0.3)	0.6	(2.2)	1.0	(2.6)	0.0
Other operating expenses	5.5	(18.4)	1.5	0.9	7.0	(17.5)	3.5
Operating profit (loss)	(3.8)	23.2	1.3	(5.1)	(2.5)	18.1	(6.5)
Profit (loss) attributable to owners of parent	(3.0)	17.2	0.0	(4.0)	(3.0)	13.3	(4.0)

## FY2021 H1 Forecast (IFRS)

▶ Department Store: Continue to post a loss in Q2 affected by voluntary restraint after temporary closures in Q1

▶ SC: Secure a profit but below April forecast due to a decrease in rental income and recording of expenses incurred for the sale of specialty store business in Q1

(Billions of yen)

Fiscal year ending February 28, 2022		Q1		Q2		H1		
		Results	YoY Change	Forecast	YoY Change	Forecast	Change	
							YoY	Vs. Apr forecast
Business profit (loss)	Department Store	(0.8)	3.5	(0.2)	(1.7)	(1.1)	1.8	(1.8)
	SC	1.4	1.3	1.4	0.6	2.9	1.9	(1.9)
	Developer	0.8	(0.2)	0.6	(0.1)	1.4	(0.3)	0.6
	Payment and Finance	0.0	(0.0)	0.1	(0.1)	0.2	(0.1)	0.2
	Other	0.3	(0.0)	0.1	(0.3)	0.4	(0.5)	(0.1)
	Total	1.2	5.1	2.3	(1.9)	3.5	3.2	(3.0)
Operating profit (loss)	Department Store	(3.9)	19.1	(1.0)	(3.8)	(5.0)	15.3	(4.3)
	SC	(0.9)	3.2	1.3	0.0	0.3	3.3	(4.4)
	Developer	0.8	0.0	1.2	1.0	2.0	0.3	0.8
	Payment and Finance	0.0	0.0	0.1	(0.2)	0.1	(0.2)	0.1
	Other	0.1	0.7	0.2	(0.7)	0.4	0.0	(0.0)
	Total	(3.8)	23.2	1.2	(5.9)	(2.5)	18.1	(6.5)

# Assumptions for Revision of Full Year Earnings Forecast

- ▶ Re-examined top line under the expected scenario for the year referring the state of advanced nations in vaccination
- ▶ Assume that restrictions on travel, etc. will be eased when vaccination rate reaches 50% and that the situation will return to almost normal when vaccination rate exceeds 70% in Japan

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	Department Store / SC: Recover gradually toward the end of FY2021 Inbound sales are the same as FY2020 level
Jan	More than 70% are vaccinated twice	Restrictions on travel in Japan are lifted	Full-scale recovery trend		Developer / Finance: As originally planned

## 《Department Store》

Estimated percentage change from FY2019 in gross sales (stores in Japan) in H2

Q3	Q4	H2
Down 10 – 20%	Around ±0%	Down around 5%

## ▶ **Gross profit: Up ¥2.0 billion (gross sales: up ¥10.0 billion)**

Department Store: Measures for categories to be strengthened, expansion of on-line sales

SC: Measures to strengthen digital such as expansion of alliance with other companies' credit cards in app

## ▶ **SGA: Down ¥6.0 billion (reduction in addition to structural reform)**

Department store: Overhaul of HRs / outsourced posts, reduction of investment, reduction of controllable costs

SC: Reduction of outsourcing, reduction of controllable costs

## ▶ **Other operating income: Up ¥5.0 billion**

Consider measures that go further such as sale of assets as a contingency plan



**Business profit: Up ¥8.0 billion**

**Operating profit: Up ¥13.0 billion**

# FY2021 Consolidated Full Year Forecast (IFRS) J. FRONT RETAILING

- ▶ Gross sales: ¥70 billion below April forecast, up 22.0% YoY, including increase profit improvement measures
- ▶ Business profit: ¥6.5 billion below April forecast, increase YoY by thorough cost control measures
- ▶ Operating profit (loss): ¥5.5 billion below April forecast, improve in H2 by other income measures, etc.

(Billions of yen, unless otherwise stated)

Fiscal year ending February 28, 2022	H1			H2			Full year		
	Forecast	YoY Change	Vs. Apr forecast Change	Forecast	YoY Change	Vs. Apr forecast Change	Forecast	YoY Change	Vs. Apr forecast Change
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	72.0	12.5	(9.5)	83.0	8.0	(9.5)	155.0	20.6	(19.0)
SGA	68.5	9.3	(6.5)	74.5	1.7	(6.0)	143.0	11.0	(12.5)
Business profit	3.5	3.2	(3.0)	8.5	6.3	(3.5)	12.0	9.6	(6.5)
Other operating income	1.0	(2.6)	0.0	6.0	3.9	5.5	7.0	1.2	5.5
Other operating expenses	7.0	(17.5)	3.5	6.5	(1.2)	1.0	13.5	(18.8)	4.5
Operating profit (loss)	(2.5)	18.1	(6.5)	8.0	11.6	1.0	5.5	29.7	(5.5)
Profit (loss) attributable to owners of parent	(3.0)	13.3	(4.0)	4.0	13.8	1.0	1.0	27.1	(3.0)

## FY2021 Full Year Forecast (IFRS)

▶ Department Store / SC: Large improvement YoY but below April forecast due to revision of top line

(Billions of yen)

Fiscal year ending February 28, 2022		H1			H2			Full year		
		Forecast	Change		Forecast	Change		Forecast	Change	
			YoY	Vs. Apr forecast		YoY	Vs. Apr forecast		YoY	Vs. Apr forecast
Business profit (loss)	Department Store	(1.1)	1.8	(1.8)	4.4	4.5	(2.4)	3.3	6.4	(4.2)
	SC	2.9	1.9	(1.9)	1.5	1.3	(1.0)	4.4	3.3	(3.0)
	Developer	1.4	(0.3)	0.6	1.6	0.5	0.3	3.1	0.2	0.9
	Payment and Finance	0.2	(0.1)	0.1	0.7	0.7	(0.1)	0.9	0.5	0.1
	Other	0.4	(0.5)	(0.1)	0.5	(0.7)	(0.0)	1.0	(1.2)	(0.1)
	Total	3.5	3.2	(3.0)	8.5	6.3	(3.5)	12.0	9.6	(6.5)
Operating profit (loss)	Department Store	(5.0)	15.3	(4.3)	3.5	4.1	(2.7)	(1.5)	19.4	(7.0)
	SC	0.4	3.3	(4.4)	1.4	5.2	(0.7)	1.8	8.6	(5.1)
	Developer	2.1	0.3	0.8	1.7	1.4	0.3	3.8	1.8	1.2
	Payment and Finance	0.2	(0.2)	0.1	0.6	0.6	(0.1)	0.9	0.4	0.1
	Other	0.4	0.0	(0.0)	0.5	(0.9)	0.0	0.9	(0.9)	(0.1)
	Total	(2.5)	18.1	(6.5)	8.0	11.6	1.0	5.5	29.7	(5.5)

# FY2021 Consolidated SGA Full Year Forecast (IFRS)

- ▶ Full year: Decrease ¥12.5 billion below April forecast  
(¥10.6 billion below April forecast before reclassification of fixed costs)
- ▶ Personnel expenses: Decrease due to sale of business, ¥4.1 billion below April forecast
- ▶ Advertising expenses: Increase efficiency, ¥1.3 billion below April forecast

(Billions of yen)

Fiscal year ending February 28, 2022	H1			H2			Full year		
	Forecast	Change		Forecast	Change		Forecast	Change	
		YoY	Vs. April forecast		YoY	Vs. April forecast		YoY	Vs. April forecast
Personnel expenses	24.2	1.1	(1.3)	23.7	(1.9)	(2.8)	47.9	(0.7)	(4.1)
Advertising expenses	4.8	1.6	(0.5)	4.8	0.0	(0.7)	9.7	1.7	(1.3)
Packing and transportation costs	1.7	0.3	0.3	1.8	0.2	0.2	3.5	0.6	0.5
Rent expenses	0.6	(0.0)	0.0	0.9	(0.5)	(0.5)	1.5	(0.5)	(0.5)
Depreciation	13.9	2.6	(0.3)	14.0	0.2	(0.5)	28.0	2.8	(0.9)
Operational costs	6.5	2.9	1.1	5.7	3.1	1.2	12.2	6.0	2.4
Other	16.6	0.6	(5.6)	23.3	0.4	(2.8)	40.0	1.0	(8.5)
<b>Total</b>	<b>68.5</b>	<b>9.3</b>	<b>(6.5)</b>	<b>74.5</b>	<b>1.7</b>	<b>(6.0)</b>	<b>143.0</b>	<b>11.0</b>	<b>(12.5)</b>
Reclassification of fixed costs	1.8	(5.5)	1.8	-	-	-	1.8	(5.5)	1.8
<b>Before reclassification</b>	<b>70.3</b>	<b>3.8</b>	<b>(4.7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144.8</b>	<b>5.5</b>	<b>(10.6)</b>

# FY2021 Q1 Results and H1 Forecast (IFRS)

- ▶ Gross sales: Up 32.0% YoY in H1 but ¥27.3 billion below April forecast
- ▶ SGA: Lower below April forecast but increase YoY partly due to technical factors such as reclassification of fixed costs
- ▶ Other expenses: Reclassification of fixed costs in Q1 ¥2.7 billion (cost ¥0.5 billion, SGA ¥2.2 billion)

(Billions of yen, unless otherwise stated)

Fiscal year ending February 28, 2022	Q1		Q2		H1		
	Results	YoY Change	Forecast	YoY Change	Forecast	YoY Change	Vs. Apr forecast Change
Gross sales	103.8	78.0%	129.3	9.3%	233.2	32.0%	(27.3)
Revenue	36.2	51.9%	47.6	7.3%	83.9	22.9%	(13.8)
Gross profit	22.2	9.9	27.0	0.9	49.3	10.8	(6.9)
SGA	22.6	6.2	27.1	2.8	49.8	9.0	(5.4)
Business profit (loss)	(0.4)	3.6	(0.0)	(1.9)	(0.5)	1.7	(1.5)
Other operating income	0.3	(0.3)	0.0	(1.6)	0.3	(2.0)	0.1
Other operating expenses	3.0	(15.0)	0.2	(0.1)	3.3	(15.2)	2.5
Operating profit (loss)	(3.1)	18.8	(0.3)	(3.4)	(3.5)	14.9	(3.9)
Profit (loss)	(2.1)	13.1	(0.5)	(2.4)	(2.7)	10.7	(2.3)

# FY2021 Full Year Forecast (IFRS)

- ▶ Gross sales: Up 20% YoY, ¥33.6 billion below April forecast
- ▶ SGA: ¥7.7 billion lower than April forecast
- ▶ Business profit (loss), operating profit (loss): Large improvement YoY, secure profits in full year

(Billions of yen, unless otherwise stated)

Fiscal year ending February 28, 2022	H1			H2			Full year		
	Results	YoY Change	Vs. Apr forecast Change	Forecast	YoY Change	Vs. Apr forecast Change	Forecast	YoY Change	Vs. Apr forecast Change
Gross sales	233.2	32.0%	(27.3)	302.6	17.7%	(6.3)	535.8	23.5%	(33.6)
Revenue	83.9	22.9%	(13.8)	106.0	16.5%	(3.4)	189.9	19.3%	(17.2)
Gross profit	49.3	10.8	(6.9)	61.0	7.7	(4.3)	110.3	18.6	(11.2)
SGA	49.8	9.0	(5.4)	56.7	3.8	(2.3)	106.5	12.9	(7.7)
Business profit (loss)	(0.5)	1.7	(1.5)	4.3	3.9	(2.0)	3.8	5.6	(3.5)
Other operating income	0.3	(2.0)	0.1	0.1	(0.5)	0.1	0.4	(2.5)	0.2
Other operating expenses	3.3	(15.2)	2.5	0.7	(0.5)	0.2	4.0	(15.7)	2.7
Operating profit (loss)	(3.5)	14.9	(3.9)	3.7	3.9	(2.1)	0.2	18.8	(6.0)
Profit (loss)	(2.7)	10.7	(2.3)	1.7	1.6	(1.6)	(1.0)	12.3	(3.9)

Website

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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.