

## J. Front Retailing Supplementary Information to Financial Results

### I. J. Front Retailing Consolidated Statements 【IFRS】

#### 1—1. Consolidated business performance (results)

(Millions of yen, %)

Item	Six months ended August 31, 2020	Six months ended August 31, 2019	YoY		Forecast released in June 2020 (Six months ended August 31, 2020)	Vs. forecast
			Amount	%		
1. Gross sales	319,589	545,841	(226,252)	(41.5)	312,000	7,589
2. Revenue	147,471	225,664	(78,193)	(34.7)	140,000	7,471
3. Gross profit	59,450	104,659	(45,209)	(43.2)	55,300	4,150
4. Gross margin	40.31 %	46.38 %	Difference (6.07) %		39.50 %	Difference 0.81 %
5. Selling, general and administrative expenses (SGA)	59,200	80,915	(21,715)	(26.8)	63,300	(4,100)
6. Business profit	250	23,743	(23,493)	(98.9)	(8,000)	8,250
7. Operating profit	(20,637)	25,175	(45,812)	—	(30,000)	9,363
8. Profit before tax	(22,760)	23,960	(46,720)	—	(33,000)	10,240
9. Profit attributable to owners of parent	(16,311)	14,367	(30,678)	—	(23,700)	7,389
10. Total assets	1,284,217	1,240,308	43,909		1,260,000	24,217
[Of which: right-of-use assets]	[191,722]	[202,516]	[(10,794)]		[192,400]	[(678)]
11. Equity attributable to owners of parent	365,859	387,188	(21,329)		381,500	(15,641)
12. Ratio of equity attributable to owners of parent to total assets	28.5 %	31.2 %	Difference (2.7) %		30.3 %	Difference (1.8) %
13. Interest-bearing liabilities	578,421	478,773	99,648		499,500	78,921
[Of which: lease liabilities]	[212,867]	[220,497]	[(7,630)]		[213,000]	[(133)]
14. Financial balance	(2,476)	(2,202)	(274)		(2,500)	24
15. Cash flows from operating activities	19,758	42,770	(23,012)		25,000	(5,242)
16. Cash flows from investing activities	(11,358)	(5,289)	(6,069)		(19,000)	7,642
17. Free cash flows	8,400	37,481	(29,081)		6,000	2,400
18. Cash flows from financing activities	81,355	(2,122)	83,477		2,000	79,355
19. Return on equity attributable to owners of parent (ROE)	(4.3) %	3.6 %	Difference (7.9) %			
20. Return on assets (ROA)	(1.6) %	2.0 %	Difference (3.6) %			
21. Return on investment (ROI)	(2.5) %	2.9 %	Difference (5.4) %			
Ratio of interest-bearing liabilities 22. to equity attributable to owners of parent (D/E ratio)	1.58 times	1.24 times	Difference 0.34 times			
23. Interest-bearing liabilities to cash flow ratio	29.27 times	9.91 times	Difference 19.36 times			

- Notes:
- Gross sales are calculated by converting sales from purchase recorded at the time of sale (*shoka shire*) of the "Department Store Business" and "Other (Daimaru Kogyo)," which are recognized as revenue under IFRS, into gross amount and converting the net amount of sales of the "Parco Business" into tenant transaction volume (gross amount basis).
  - Business profit is calculated by subtracting cost of sales and SGA from revenue.
  - Profit attributable to owners of parent, operating profit and profit before tax are used to calculate ROE, ROA and ROI, respectively.
  - Results for the previous year in Items 10 to 13 and 22 are figures at the end of the previous consolidated fiscal year (February 29, 2020).
  - Forecasts in Items 10 to 13 and 15 to 18 were released in April 2020.

1—2. Consolidated business performance (full year forecast)

(Millions of yen, %)

Item	Full year ending February 28, 2021	Full year ended February 29, 2020	YoY		Forecast released in June 2020 (Full year ending February 28, 2021)	Vs. forecast
			Amount	%		
1. Gross sales	810,400	1,133,654	(323,254)	(28.5)	805,000	5,400
2. Revenue	337,500	480,621	(143,121)	(29.8)	332,000	5,500
3. Gross profit	138,600	206,953	(68,353)	(33.0)	136,800	1,800
4. Gross margin	41.07 %	43.06 %	Difference (1.99) %		41.20 %	Difference (0.13) %
5. SGA	137,400	161,590	(24,190)	(15.0)	143,800	(6,400)
6. Business profit	1,200	45,363	(44,163)	(97.4)	(7,000)	8,200
7. Operating profit	(20,600)	40,286	(60,886)	—	(30,000)	9,400
8. Profit before tax	(25,600)	37,161	(62,761)	—	(35,900)	10,300
9. Profit attributable to owners of parent	(18,600)	21,251	(39,851)	—	(26,000)	7,400
10. Total assets	1,280,000	1,240,308	39,692		1,240,000	40,000
[Of which: right-of-use assets]	[183,000]	[202,516]	[(19,516)]		[183,800]	[(800)]
11. Equity attributable to owners of parent	361,000	387,188	(26,188)		386,500	(25,500)
12. Ratio of equity attributable to owners of parent to total assets	28.2 %	31.2 %	Difference (3.0) %		31.2 %	Difference (3.0) %
13. Interest-bearing liabilities	580,000	478,773	101,227		477,500	102,500
[Of which: lease liabilities]	[200,000]	[220,497]	[(20,497)]		[204,000]	[(4,000)]
14. Financial balance	(5,400)	(4,770)	(630)		(5,400)	0
15. Cash flows from operating activities	30,000	73,358	(43,358)		58,000	(28,000)
16. Cash flows from investing activities	(23,000)	(49,559)	26,559		(38,000)	15,000
17. Free cash flows	7,000	23,799	(16,799)		20,000	(13,000)
18. Cash flows from financing activities	79,000	(14,829)	93,829		(26,000)	105,000
19. Return on equity attributable to owners of parent (ROE)	(5.0) %	5.4 %	Difference (10.4) %			
20. Return on assets (ROA)	(1.6) %	3.2 %	Difference (4.8) %			
21. Return on investment (ROI)	(2.8) %	4.5 %	Difference (7.3) %			
22. Ratio of interest-bearing liabilities to equity attributable to owners of parent (D/E ratio)	1.61 times	1.24 times	Difference 0.37 times			
23. Interest-bearing liabilities to cash flow ratio	19.33 times	6.53 times	Difference 12.80 times			

- Notes: 1. Gross sales are calculated by converting sales from *shoka shiire* of the "Department Store Business" and "Other (Daimaru Kogyo)," which are recognized as revenue under IFRS, into gross amount and converting the net amount of sales of the "Parco Business" into tenant transaction volume (gross amount basis).  
2. Business profit is calculated by subtracting cost of sales and SGA from revenue.  
3. Profit attributable to owners of parent, operating profit and profit before tax are used to calculate ROE, ROA and ROI, respectively.  
4. Forecasts in Items 10 to 13 and 15 to 18 were released in April 2020.

## 2. Segment information (results and full year forecast)

Six months ended August 31, 2020

(Millions of yen, %)

	Reportable segments					Other	Total	Adjustments	Consolidated
	Department Store Business	Parco Business	Real Estate Business	Credit and Finance Business	Total				
Gross sales	189,790	83,472	6,815	5,212	285,291	53,236	338,527	(18,938)	319,589
YoY %	(46.5)	(40.9)	(23.2)	(11.6)	(44.1)	(10.9)	(40.6)	—	(41.5)
(1) Revenue to external customers	69,949	29,817	6,251	3,352	109,371	38,099	147,471	—	147,471
(2) Intersegment revenue	152	297	563	1,240	2,254	14,205	16,460	(16,460)	—
Total revenue	70,102	30,115	6,815	4,593	111,626	52,305	163,931	(16,460)	147,471
YoY %	(46.9)	(31.1)	(22.7)	(11.7)	(41.2)	(6.9)	(33.3)	—	(34.7)
Business profit	(4,416)	1,517	1,924	446	(528)	1,701	1,173	(923)	250
YoY %	—	(71.8)	(42.9)	(58.0)	—	(18.7)	(95.1)	—	(98.9)
Segment profit	(21,357)	(2,604)	1,634	453	(21,873)	1,150	(20,722)	85	(20,637)
YoY %	—	—	(71.5)	(58.3)	—	(42.7)	—	—	—

Full year ending February 28, 2021

(Millions of yen, %)

	Reportable segments					Other	Total	Adjustments	Consolidated
	Department Store Business	Parco Business	Real Estate Business	Credit and Finance Business	Total				
Gross sales	493,500	223,800	15,800	11,700	744,800	106,600	851,400	(41,000)	810,400
YoY %	(31.0)	(28.1)	(11.4)	(4.0)	(29.5)	(19.6)	(28.4)	—	(28.5)
(1) Revenue to external customers	179,170	71,380	14,500	6,400	271,450	66,050	337,500	—	337,500
(2) Intersegment revenue	330	620	1,300	3,200	5,450	31,550	37,000	(37,000)	—
Total revenue	179,500	72,000	15,800	9,600	276,900	97,600	374,500	(37,000)	337,500
YoY %	(31.9)	(35.8)	(11.2)	(10.4)	(31.5)	(20.8)	(29.0)	—	(29.8)
Business profit	(2,000)	(300)	2,850	0	550	2,350	2,900	(1,700)	1,200
YoY %	—	—	(34.7)	—	(98.7)	(52.3)	(93.7)	—	(97.4)
Segment profit	(19,200)	(4,450)	2,400	0	(21,250)	1,800	(19,450)	(1,150)	(20,600)
YoY %	—	—	(64.3)	—	—	(61.7)	—	—	—

### 3. Performance by consolidated company (results and full year forecast)

(Millions of yen, %)

Company name	Six months ended August 31, 2020				Full year ending February 28, 2021				Capital	Ownership percentage	Business
	Revenue	Business profit	Operating profit	Profit	Revenue	Business profit	Operating profit	Profit			
1. J. Front Retailing Co., Ltd.	9,486	7,214	7,027	6,740	13,811	8,790	8,610	7,817	31,974		
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	70,833	(1,731)	(17,843)	(13,092)	175,700	900	(15,600)	(12,300)	10,000	100.0	Department store Real estate
3. The Hakata Daimaru, Inc.	4,594	(631)	(1,439)	(1,071)	12,900	(450)	(1,250)	(1,022)	3,037	69.9	Department store
4. Kochi Daimaru Co., Ltd.	1,513	(109)	(197)	(138)	3,600	(150)	(250)	(253)	300	100.0	Department store
5. Parco Co., Ltd.	19,542	1,819	(1,614)	(1,773)	50,600	800	(2,900)	(3,600)	34,367	100.0	Shopping complex
6. Parco (Singapore) Pte Ltd	36	(3)	(8)	(8)	79	(17)	(15)	(14)	SGD 4M	100.0	Shopping complex
7. Neuve A Co., Ltd.	5,220	(370)	(1,229)	(1,233)	11,949	(659)	(1,549)	(1,561)	490	100.0	Specialty store
8. Parco Space Systems Co., Ltd.	7,916	53	(112)	(76)	17,702	106	33	(9)	490	100.0	Space engineering & management
9. Parco Digital Marketing Co., Ltd.	453	24	39	27	927	24	39	27	10	100.0	Internet-related business
10. Japan Retail Advisors Co., Ltd.	-	(0)	(0)	(0)	-	(33)	(33)	(33)	10	100.0	Real estate management Consulting
11. JFR Card Co., Ltd.	4,593	446	453	231	9,600	0	0	(100)	100	100.0	Credit and finance
12. Daimaru Kogyo, Ltd.	16,231	415	381	273	29,823	533	469	323	1,800	100.0	Wholesale
13. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	1,794	69	81	62	6,032	121	133	101	USD 2M	100.0	Wholesale
14. Daimaru Kogyo (Thailand) Co., Ltd.	141	0	0	2	390	1	1	2	THB 202M	99.9	Wholesale
15. Taiwan Daimaru Kogyo, Ltd.	75	(1)	(2)	(1)	138	(5)	(6)	(5)	NTD 60M	100.0	Wholesale
16. J. Front Design & Construction Co., Ltd.	15,550	736	737	454	28,550	1,144	1,144	692	100	100.0	Design & construction contracting
17. Dimples' Co., Ltd.	4,342	(240)	(51)	(35)	9,527	(226)	7	68	90	100.0	Staffing service
18. J. Front Foods Co., Ltd.	428	(207)	(405)	(406)	1,236	(324)	(512)	(503)	100	100.0	Restaurant
19. Consumer Product End-Use Research Institute Co., Ltd.	475	75	69	43	1,019	145	139	83	100	100.0	Merchandise test Quality control
20. Angel Park Co., Ltd.	395	163	167	127	917	405	409	303	400	50.2	Parking
21. JFR Service Co. Ltd.	4,261	195	228	160	8,364	217	250	184	100	100.0	Commissioned back-office service Leasing Parking management
22. JFR Information Center Co., Ltd.	3,113	165	168	115	6,743	276	280	186	10	100.0	Information service
23. Daimaru Matsuzakaya Sales Associates Co. Ltd.	2,462	477	(73)	(50)	6,371	477	26	16	90	100.0	Commissioned sales & store operations
24. Daimaru Matsuzakaya Tomonokai Co., Ltd.	75	(140)	(176)	112	100	(394)	(447)	134	100	100.0	Specified prepaid transaction service

Note: The Shimonoseki Daimaru, Inc. was merged into Daimaru Matsuzakaya Department Stores Co. Ltd. and renamed the "Daimaru Shimonoseki store" on March 1, 2020.

#### 4. Consolidated capital expenditures (results and full year plan)

(Millions of yen)

Component	Six months ended Aug 31, 2020	Full year ending Feb 28, 2021	Remarks
Daimaru Matsuzakaya Department Stores	7,207	10,000	Sales floor renovation (the Daimaru Sapporo store, the Matsuzakaya Nagoya store and others) and others
[Department Store Business]	[3,108]	[5,800]	
[Real Estate Business]	[4,099]	[4,200]	North building of Shinsaibashi store, Nippon Life Sakaemachi Building and others
Hakata Daimaru	397	500	Sales floor renovation and others
Kochi Daimaru	58	100	"
PARCO	1,726	8,000	Shinsaibashi PARCO and others
[Real Estate Business]	[—]	[100]	
Other	529	2,000	
Intercompany eliminations	(124)	(200)	
Total consolidated	9,793	20,400	
Right-of-use assets	7,060	10,600	
Total investment	16,854	31,000	

#### 5. Components of SGA (results and full year forecast)

(Millions of yen, %)

Component	Six months ended August 31, 2020			Full year ending February 28, 2021		
	Amount	YoY	Ratio to sales	Amount	YoY	Ratio to sales
Personnel expenses	23,003	(24.5)	15.6	50,500	(11.2)	15.0
Advertising expenses	3,209	(42.8)	2.2	9,200	(21.6)	2.7
Packing and transportation costs	1,308	(24.3)	0.9	2,800	(23.6)	0.8
Rental expenses	652	(47.2)	0.4	1,600	(33.0)	0.5
Depreciation	11,356	(27.0)	7.7	24,600	(19.6)	7.3
Operational costs	3,596	(16.9)	2.4	8,500	(8.6)	2.5
Other	16,074	(26.9)	10.9	40,200	(14.5)	11.9
Total	59,200	(26.8)	40.1	137,400	(15.0)	40.7

Note: Depreciation is included in cost of sales as well as SGA.

Six months ended August 31, 2020: 9,208 million yen / Full year ending February 28, 2021: 20,300 million yen

#### 6. Components of other operating income and other operating expenses (results and full year forecast)

(Millions of yen)

Component	Six months ended Aug 31, 2020	Full year ending Feb 28, 2021	Remarks
Other operating income	3,692	4,500	
Subsidies for employment adjustment	1,972	2,350	Mainly Daimaru Matsuzakaya Department Stores [1,139], PARCO Business [323] and Dimples' Co., Ltd.[223]
Other	1,719	2,150	
Other operating expenses	24,579	26,300	
Loss on disposal of fixed assets	720	1,500	Mainly Daimaru Matsuzakaya Department Stores [9,742] and PARCO Business [1,649]
Impairment losses	11,589	11,589	
Costs associated with temporary closure	11,437	11,437	Mainly Daimaru Matsuzakaya Department Stores [7,597] and PARCO Business [3,163]
Other	831	1,772	

**7. Components of finance income and finance costs and share of profit (loss) of investments accounted for using equity method (results and full year forecast)**

(Millions of yen,%)

Component	Six months ended August 31, 2020	YoY %	Full year ending February 28, 2021	YoY %
	Finance income	570	(9.9)	1,000
Interest and dividend income	570	(9.9)	1,000	(8.4)
Finance costs	3,047	7.4	6,400	9.2
Interest expenses on borrowings and bonds	2,855	2.6	6,000	6.1
Other	191	267.4	400	91.1
Share of profit (loss) of investments accounted for using equity method	353	(64.2)	400	(75.7)

**8. Main changes in consolidated statements of financial position**

(Millions of yen)

Item	Aug 31, 2020	Feb 29, 2020	Change	Remarks
Current assets				
Cash and cash equivalents	124,377	34,633	89,744	Mainly J. Front Retailing Co., Ltd.
Notes and accounts receivable	54,205	72,746	(18,541)	
Non-current assets				
Buildings and structures	181,616	193,252	(11,636)	Mainly Daimaru Matsuzakaya Department Stores and Parco
Right-of-use assets	166,196	179,632	(13,436)	Mainly Daimaru Matsuzakaya Department Stores and Parco
Investment property	224,641	219,354	5,287	Mainly Daimaru Matsuzakaya Department Stores and Parco
Current liabilities				
Commercial paper	49,998	4,000	45,998	J. Front Retailing Co., Ltd.
Current portion of bonds	—	10,000	(10,000)	3rd corporate bond redemption
Notes and accounts payable	64,550	77,374	(12,824)	
Non-current liabilities				
Long-term borrowings	144,185	80,110	64,075	Mainly J. Front Retailing Co., Ltd.
Long-term lease liabilities	183,129	191,003	(7,874)	Mainly Daimaru Matsuzakaya Department Stores and Parco
Deferred tax liability	53,110	58,829	(5,719)	Mainly Daimaru Matsuzakaya Department Stores

**9. Number of employees of consolidated companies (results and full year forecast)**

(People)

Component	August 31, 2020				February 28, 2021			
	Regular	Dedicated	Fixed-term	Total	Regular	Dedicated	Fixed-term	Total
J. Front Retailing	133	0	21	154	127	1	18	146
Department Store Business	2,256	239	295	2,790	2,242	236	298	2,776
[Of which: Daimaru Matsuzakaya Department Stores]	[1,892]	[167]	[223]	[2,282]	[1,887]	[164]	[225]	[2,276]
Parco Business	1,636	0	518	2,154	1,585	0	526	2,111
Real Estate Business	50	2	6	58	47	1	6	54
Credit and Finance Business	184	25	16	225	186	24	16	226
Other	2,421	1,501	551	4,473	2,409	1,459	593	4,461
Total	6,680	1,767	1,407	9,854	6,596	1,721	1,457	9,774

## II. Daimaru Matsuzakaya Department Stores Non-consolidated Statements 【IFRS】

### 1-1. Business performance (results)

(Millions of yen, %)

Item	Six months ended August 31, 2020	YoY		Six months ended August 31, 2019
		Amount	%	
1. Gross sales	179,276	(146,093)	(44.9)	325,369
[Of which: real estate rental income]	[10,049]	[(846)]	[(7.8)]	[10,895]
2. Revenue	70,833	(55,926)	(44.1)	126,759
3. Gross profit	39,898	(33,925)	(46.0)	73,823
4. Gross margin	56.33 %	Difference (1.91) %		58.24 %
5. SGA	41,629	(17,663)	(29.8)	59,292
6. Business profit	(1,731)	(16,261)	—	14,530
7. Operating profit	(17,843)	(34,428)	—	16,585
8. Profit before tax	(18,922)	(34,726)	—	15,804
9. Profit	(13,092)	(24,059)	—	10,967
10. Total assets	599,310	(18,031)		617,341
[Of which: right-of-use assets]	[100,030]	[(5,083)]		[105,113]
11. Equity	175,085	(18,076)		193,161
12. Equity ratio	29.2 %	Difference (2.1) %		31.3 %
13. Interest-bearing liabilities	221,441	13,239		208,202
[Of which: lease liabilities]	[111,440]	[(2,434)]		[113,874]
14. Financial balance	(1,078)	(297)		(781)
15. Cash flows from operating activities	3,762	(18,691)		22,453
16. Cash flows from investing activities	(8,215)	(752)		(7,463)
17. Cash flows from financing activities	3,589	17,950		(14,361)
18. Return on equity (ROE)	(7.1) %	Difference (12.8) %		5.7 %
19. Return on assets (ROA)	(2.9) %	Difference (5.6) %		2.7 %
20. Return on investment (ROI)	(4.7) %	Difference (8.9) %		4.2 %

Notes: 1. Gross sales are calculated by converting sales from *shoka shiire*, which are recognized as revenue under IFRS, into gross amount.

2. Business profit is calculated by subtracting cost of sales and SGA from revenue.

3. Profit, operating profit and profit before tax are used to calculate ROE, ROA and ROI, respectively.

4. Results for the previous year in Items 10, 11, 12 and 13 are figures at the end of the previous business year (February 29, 2020).

### Reference

(Millions of yen, %)

Item	Six months ended August 31, 2020				Six months ended August 31, 2019	
	Department Store Business	YoY %	Real Estate Business	YoY %	Department Store Business	Real Estate Business
1. Gross sales	172,573	(45.5)	6,815	(23.2)	316,622	8,873
[Of which: real estate rental income]	[3,378]	[49.5]	[6,763]	[(22.8)]	[2,259]	[8,761]
2. Revenue	64,110	(45.7)	6,815	(22.7)	118,064	8,820
3. Gross profit	36,559	(47.2)	3,431	(26.6)	69,272	4,676
4. Gross margin	57.03 %	Difference (1.64) %	50.35 %	Difference (2.67) %	58.67 %	53.02 %
5. SGA	40,232	(30.8)	1,506	15.5	58,112	1,304
6. Business profit	(3,673)	—	1,924	(42.9)	11,159	3,371
7. Operating profit	(19,477)	—	1,634	(71.5)	10,857	5,729
8. Profit before tax	(20,243)	—	1,320	(73.9)	10,751	5,053

Notes: 1. Gross sales are calculated by converting sales from *shoka shiire*, which are recognized as revenue under IFRS, into gross amount.

2. Business profit is calculated by subtracting cost of sales and SGA from revenue.

3. The total of the Department Store Business and the Real Estate Business differs from the total of Daimaru Matsuzakaya Department Stores due to intersegment eliminations.

1-2. Business performance (full year forecast)

(Millions of yen, %)

Item	Full year ending February 28, 2021	YoY		Full year ended February 29, 2020
		Amount	%	
1. Gross sales	459,600	(196,552)	(30.0)	656,152
[Of which: real estate rental income]	[20,000]	[(4,217)]	[(17.4)]	[24,217]
2. Revenue	175,700	(78,186)	(30.8)	253,886
3. Gross profit	99,200	(46,710)	(32.0)	145,910
4. Gross margin	56.46 %	Difference (1.01) %		57.47 %
5. SGA	98,300	(18,243)	(15.7)	116,543
6. Business profit	900	(28,467)	(96.9)	29,367
7. Operating profit	(15,600)	(40,155)	—	24,555
8. Profit before tax	(17,800)	(40,189)	—	22,389
9. Profit	(12,300)	(27,878)	—	15,578
10. Total assets	486,000	(131,341)		617,341
[Of which: right-of-use assets]	[95,730]	[(9,383)]		[105,113]
11. Equity	145,000	(48,161)		193,161
12. Equity ratio	29.8 %	Difference (1.5) %		31.3 %
13. Interest-bearing liabilities	154,000	(54,202)		208,202
[Of which: lease liabilities]	[105,735]	[(8,139)]		[113,874]
14. Financial balance	(2,200)	(35)		(2,165)
15. Cash flows from operating activities	16,000	(18,006)		34,006
16. Cash flows from investing activities	(12,000)	24,576		(36,576)
17. Cash flows from financing activities	(4,000)	(6,906)		2,906
18. Return on equity (ROE)	(7.3)	Difference (15.5) %		8.2 %
19. Return on assets (ROA)	(2.8)	Difference (6.8) %		4.0 %
20. Return on investment (ROI)	(5.1)	Difference (10.8) %		5.7 %

- Notes: 1. Gross sales are calculated by converting sales from *shoka shiire*, which are recognized as revenue under IFRS, into gross amount.  
2. Business profit is calculated by subtracting cost of sales and SGA from revenue.  
3. Profit, operating profit and profit before tax are used to calculate ROE, ROA and ROI, respectively.  
4. The Real Estate Business was transferred to Parco Co., Ltd. on September 1, 2020.

Reference

(Millions of yen, %)

Item	Full year ending February 28, 2021				Full year ended February 28, 2019	
	Department Store Business	YoY %	Real Estate Business	YoY %	Department Store Business	Real Estate Business
1. Gross sales	446,900	(30.0)	13,000	(27.1)	638,569	17,832
[Of which: real estate rental income]	[7,400]	[9.3]	[12,900]	[(27.1)]	[6,768]	[17,699]
2. Revenue	163,000	(31.0)	13,000	(22.8)	236,341	17,793
3. Gross profit	94,800	(31.7)	4,600	(37.6)	138,790	7,368
4. Gross margin	58.16 %	Difference (0.56)	35.38 %	Difference (6.03)	58.72 %	41.41 %
5. SGA	96,200	(15.5)	2,300	(23.4)	113,785	3,004
6. Business profit	(1,400)	—	2,300	(47.3)	25,005	4,364
7. Operating profit	(17,700)	—	2,100	(68.8)	17,831	6,725
8. Profit before tax	(19,500)	—	1,700	(68.1)	17,059	5,330

- Notes: 1. Gross sales are calculated by converting sales from *shoka shiire*, which are recognized as revenue under IFRS, into gross amount.  
2. Business profit is calculated by subtracting cost of sales and SGA from revenue.  
3. The total of the Department Store Business and the Real Estate Business differs from the total of Daimaru Matsuzakaya Department Stores due to intersegment eliminations.  
4. The Real Estate Business was transferred to Parco Co., Ltd. on September 1, 2020.



## 2. Summary of gross sales (Department Store)

### (1) Sales by store

(Millions of yen, %)

Store	Term	Six months ended August 31, 2020		Full year ending February 28, 2021	
		Amount	YoY %	Amount	YoY %
Daimaru	Osaka Shinsaibashi	15,207	(66.2)	41,900	(50.9)
	Osaka Umeda	15,841	(50.1)	42,030	(34.7)
	Tokyo	15,096	(62.1)	40,840	(48.4)
	Kyoto	19,238	(41.3)	50,790	(24.0)
	Kobe	22,653	(37.1)	59,510	(20.1)
	Suma	3,107	(21.1)	6,920	(13.4)
	Ashiya	1,413	(40.1)	3,240	(26.5)
	Sapporo	16,950	(46.1)	46,160	(29.5)
	Shimonoseki	3,598	—	8,450	—
Matsuzakaya	Nagoya	34,949	(38.0)	89,800	(22.8)
	Ueno	13,379	(31.5)	30,630	(21.7)
	Shizuoka	6,349	(35.2)	15,160	(23.6)
	Takatsuki	2,557	(36.0)	5,870	(25.7)
	Toyota	2,228	(32.6)	5,600	(18.9)
Total		172,573	(45.5)	446,900	(30.0)
Excluding Shimonoseki and Yamashina		168,974	(46.6)	438,450	(31.3)
Excluding Shinsaibashi, Shimonoseki and Yamashina		153,766	(43.3)	396,550	(28.3)

Notes: 1. The Daimaru Yamashina store closed on March 31, 2019.

2. The Shimonoseki Daimaru, Inc. was merged into Daimaru Matsuzakaya Department Stores Co. Ltd. and renamed the "Daimaru Shimonoseki store" on March 1, 2020.

3. The new main building of the Daimaru Shinsaibashi store opened on September 20, 2019. For this reason, the rental space of the Daimaru Shinsaibashi store increased compared to before.

### (Reference) Total of product sales and tenant transaction volume of Shinsaibashi store

(Millions of yen, %)

Store	Period	Six months ended August 31, 2020	YoY		Six months ended August 31, 2019
			Amount	%	
			Daimaru	Osaka Shinsaibashi	

Note: The total of product sales from *kaitori* (purchase on a no-return policy) and *shoka shiire* and transaction volume (sales) of tenants on a fixed-term lease is shown above.

### (2) YoY change in monthly sales

(%)

Month	March	April	May	June	July	August	Six months ended August 31, 2020
Total all stores	(43.4)	(78.0)	(72.8)	(28.1)	(24.8)	(28.1)	(45.5)
After adjustment	(40.9)	(76.3)	(71.8)	(25.8)	(22.2)	(25.6)	(43.3)

Note: "After adjustment" is YoY percentage change after deducting actual sales of the Daimaru Shinsaibashi, Daimaru Shimonoseki and Daimaru Yamashina stores in this year and previous year.

### (3) Sales classification

#### (i) Share of cash/credit sales

(Millions of yen, %)

Category	Amount	YoY %	Share
Cash sales	120,117	(50.6)	69.6
Credit sales	52,455	(28.5)	30.4
Total	172,573	(45.5)	100.0

#### (ii) Share of sales to corporate/individual customers (credit sales)

(%)

Category	Six months ended Aug 31, 2020	Six months ended Aug 31, 2019	Sales YoY
Corporate	18.0	10.7	20.1
Individual	82.0	89.3	(34.3)
Total	100.0	100.0	(28.5)

#### (iii) Number of the Company's cards issued, number of active cardholders and sales

(Thousand cards, thousand people, millions of yen, %)

Category	Number of cards issued	Number of active cardholders	Sales	YoY	% of total sales to individual customers
Otokuisama Gold Card	343	203	43,675	(32.2)	27.4
Daimaru Matsuzakaya Card <Gold>	115	64	6,450	(39.6)	4.0
Daimaru Matsuzakaya Card	1,376	730	35,303	(46.1)	22.2
Total	1,834	998	85,430	(39.3)	53.6
Point card for cash purchases	1,925	692	18,910	(36.7)	11.9
Other	422	178	7,103	(26.4)	4.5
Total	4,182	1,725	108,825	(38.5)	68.3

Notes: 1. "Point card for cash purchases" consists of Daimaru Matsuzakaya Point Card, Daimaru D Card, Matsuzakaya M Card and Ufufu Girls Card.

"Other" consists of the cards of membership organizations such as Tomonokai and Bridal Circle.

2. The total number of active cardholders and total sales differ from the total of each card because some hold more than one card.

3. Daimaru Matsuzakaya Card <Gold> includes Daimaru Card Gold and Matsuzakaya Card Gold.

Daimaru Matsuzakaya Card includes Daimaru Card and Matsuzakaya Card.

### (4) Sales and gross margin ratio by merchandise category

(Millions of yen, %)

Merchandise category	Sales	YoY %	Share	Share PY	Gross margin ratio	YoY (Ratio)
Clothing	66,536	(47.5)	38.6	40.0	23.61	(1.34)
Accessories	9,548	(55.2)	5.5	6.7	27.29	(0.80)
General goods	30,392	(54.5)	17.6	21.1	24.49	(1.28)
Household goods	6,739	(45.7)	3.9	3.9	24.75	(0.03)
Foods	43,862	(35.8)	25.4	21.6	16.60	0.63
Other	15,491	(26.7)	9.0	6.7	24.04	5.02
Total	172,573	(45.5)	100.0	100.0	22.27	(0.73)

#### Sales by merchandise category (excluding Shinsaibashi, Shimonoseki and Yamashina stores)

(Millions of yen, %)

Merchandise category	Sales	YoY %	Share
Clothing	57,517	(46.2)	37.4
Accessories	8,995	(55.0)	5.9
General goods	25,654	(48.1)	16.7
Household goods	6,377	(40.7)	4.1
Foods	41,703	(35.2)	27.1
Other	13,518	(31.6)	8.8
Total	153,766	(43.3)	100.0

## (5) Number of business days and total number of customers by store

	Number of business days		Change	Total number of customers	YoY
	Six months ended Aug 31, 2020	Six months ended Aug 31, 2019			
	Days	Days	Days	Thousand people	%
Daimaru Osaka Shinsaibashi	145	184	(39)	2,615	(72.9)
Osaka Umeda	145	184	(39)	6,944	(61.7)
Tokyo	146	184	(38)	5,540	(71.7)
Kyoto	164	184	(20)	3,775	(49.9)
Kobe	145	183	(38)	2,797	(49.6)
Suma	178	183	(5)	2,239	(29.8)
Ashiya	143	182	(39)	1,564	(5.1)
Sapporo	169	184	(15)	5,039	(54.7)
Shimonoseki	179	—	—	1,202	—
Matsuzakaya Nagoya	168	184	(16)	4,779	(51.5)
Ueno	144	184	(40)	2,039	(58.5)
Shizuoka	178	184	(6)	1,650	(54.5)
Takatsuki	178	184	(6)	1,913	(35.4)
Toyota	168	184	(16)	800	(51.5)
Total			—	42,903	(56.8)

Note: YoY in Total excludes the Daimaru Yamashina store, which closed on March 31, 2019.

## (6) Duty-free sales

(Millions of yen, %)

	Six months ended Aug 31, 2020	YoY	Sales share
Daimaru Osaka Shinsaibashi	277	(98.5)	1.8
Osaka Umeda	51	(98.2)	0.3
Tokyo	54	(96.8)	0.4
Kyoto	32	(98.6)	0.2
Kobe	90	(91.0)	0.4
Sapporo	49	(98.5)	0.3
Shimonoseki	0	—	0.0
Matsuzakaya Nagoya	122	(93.9)	0.3
Ueno	18	(96.7)	0.1
Shizuoka	3	(96.3)	0.1
Total	700	(97.8)	0.4

Note: Sales share is the duty-free sales percentage of total sales of each store.

(Reference) Duty-free transaction percentage of the total product sales and tenant transaction volume at Shinsaibashi store

(Millions of yen, %)

	Amount	YoY	Share of transaction volume
Daimaru Osaka Shinsaibashi	337	(98.2)	1.8

## (7) Average spend per customer / purchase ratio

	Six months ended Aug 31, 2020	Six months ended Aug 31, 2019	YoY (%)
Average spend per customer (Yen)	4,440	4,879	(9.0)
Purchase ratio (%)	61.0	49.6	11.4

Note:

$$\text{Average spend per customer} = \frac{\text{Cash sales}}{\text{Number of receipts issued}}$$

$$\text{Purchase ratio} = \frac{\text{Number of receipts issued}}{\text{Number of customers}}$$

### 3. Components of SGA (results and full year forecast)

(Millions of yen, %)

Component	Six months ended August 31, 2020			Full year ending February 28, 2021		
	Amount	YoY %	Ratio to sales	Amount	YoY %	Ratio to sales
Personnel expenses	10,284	(16.9)	14.5	21,200	3.8	12.1
Advertising expenses	2,604	(42.9)	3.7	6,700	(29.0)	3.8
Packing and transportation costs	1,030	(21.6)	1.5	2,300	(18.9)	1.3
Rental expenses	87	(70.3)	0.1	300	(38.6)	0.2
Depreciation	8,439	(30.0)	11.9	19,100	(18.6)	10.9
Operational costs	4,321	(25.1)	6.1	10,300	(9.7)	5.9
Other	14,862	(35.2)	21.0	38,400	(20.8)	21.7
Total	41,629	(29.8)	58.8	98,300	(15.7)	55.9

Notes: 1. Depreciation is included in cost of sales as well as SGA.

Six months ended August 31, 2020: 2,960 million yen / Full year ending February 28, 2021: 5,700 million yen

2. The Real Estate Business was transferred to Parco Co., Ltd. on September 1, 2020.

### 4. Components of other operating income and other operating expenses

(results and full year forecast)

(Millions of yen)

Component	Six months ended Aug 31, 2020	Full year ending Feb 28, 2021	Remarks
Other operating income	2,401	2,600	
Subsidies for employment adjustment	1,139	1,139	
Other	1,262	1,460	Gain on extinguishment of tie-in shares of Shimonoseki Daimaru, etc.
Other operating expenses	18,513	19,100	
Loss on disposal of fixed assets	645	900	Sales floor renovation, etc.
Impairment losses	9,742	9,742	Daimaru Umeda store and Matsuzakaya Toyota store
Costs associated with temporary closure	7,597	7,597	
Other	527	859	

### 5. Components of finance income and finance costs (results and full year forecast)

(Millions of yen, %)

Component	Six months ended August 31, 2020		Full year ending February 28, 2021	
	Amount	YoY %	Amount	YoY %
Finance income	636	(29.6)	900	(26.3)
Interest and dividend income	636	(29.6)	900	(26.3)
Finance costs	1,715	1.8	3,100	(8.5)
Interest expenses	1,715	1.8	3,100	(8.5)

### III. Parco Non-consolidated Statements 【IFRS】

#### 1-1. Business performance (results)

(Millions of yen, %)

Item	Six months ended August 31, 2020	YoY		Six months ended August 31, 2019
		Amount	%	
1. Tenant transaction volume	73,263	(53,931)	(42.4)	127,194
2. Revenue	19,542	(8,657)	(30.7)	28,199
3. Gross profit	6,063	(3,874)	(39.0)	9,937
4. SGA	4,243	(412)	(8.8)	4,655
5. Business profit	1,819	(3,463)	(65.5)	5,282
6. Operating profit	(1,614)	(7,616)	—	6,002
7. Profit before tax	(2,537)	(7,576)	—	5,039
8. Profit	(1,773)	(5,299)	—	3,526
9. Total assets	327,733	(14,829)		342,562
[Of which: right-of-use assets]	[83,814]	[(4,152)]		[87,966]
10. Equity	123,040	(1,705)		124,745
11. Equity ratio	37.5 %	Difference 1.1 %		36.4 %
12 Interest-bearing liabilities	153,327	(6,575)		159,902
[Of which: lease liabilities]	[93,290]	[(3,608)]		[96,898]
13. Financial balance	(922)	40		(962)
14. Cash flows from operating activities	3,798	(10,034)		13,832
15. Cash flows from investing activities	(3,227)	1,410		(4,637)
16. Cash flows from financing activities	(7,009)	1,630		(8,639)
17. Return on equity (ROE)	(1.4) %	Difference (4.2) %		2.8 %
18. Return on assets (ROA)	(0.5) %	Difference (2.4) %		1.9 %
19. Return on investment (ROI)	(0.9) %	Difference (3.0) %		2.1 %

Notes: 1. Tenant transaction volume is the total amount of transactions conducted by tenants at Parco stores.

2. Business profit is calculated by subtracting operating costs and SGA from revenue.

3. Profit, operating profit and profit before tax are used to calculate ROE, ROA and ROI, respectively.

4. Results for the previous year in Items 9, 10, 11 and 12 are figures at the end of the previous business year (February 29, 2020).

1—2. Business performance (full year forecast)

(Millions of yen, %)

Item	Full year ending February 28, 2021	YoY		Full year ended February 29, 2020
		Amount	%	
1. Tenant transaction volume	197,500	(61,349)	(23.7)	258,849
2. Revenue	50,600	(29,335)	(36.7)	79,935
3. Gross profit	11,300	(6,749)	(37.4)	18,049
4. SGA	10,500	601	6.1	9,899
5. Business profit	800	(7,350)	(90.2)	8,150
6. Operating profit	(2,900)	(14,118)	—	11,218
7. Profit before tax	(5,250)	(14,274)	—	9,024
8. Profit	(3,600)	(9,948)	—	6,348
9. Total assets	441,000	98,438		342,562
[Of which: right-of-use assets]	[77,250]	[(10,716)]		[87,966]
10. Equity	149,300	24,555		124,745
11. Equity ratio	33.9 %	Difference (2.5) %		36.4 %
12. Interest-bearing liabilities	225,600	65,698		159,902
[Of which: lease liabilities]	[90,480]	[(6,418)]		[96,898]
13. Financial balance	(2,350)	(157)		(2,193)
14. Cash flows from operating activities	9,600	(19,497)		29,097
15. Cash flows from investing activities	(10,200)	1,919		(12,119)
16. Cash flows from financing activities	(6,000)	7,353		(13,353)
17. Return on equity (ROE)	(2.6) %	Difference (7.7) %		5.1 %
18. Return on assets (ROA)	(0.7) %	Difference (4.4) %		3.7 %
19. Return on investment (ROI)	(1.6) %	Difference (5.3) %		3.7 %

- Notes: 1. Tenant transaction volume is the total amount of transactions conducted by tenants at Parco stores.  
2. Business profit is calculated by subtracting operating costs and SGA from revenue.  
3. Profit, operating profit and profit before tax are used to calculate ROE, ROA and ROI, respectively.  
4. The Real Estate Business was transferred from Daimaru Matsuzakaya Department Stores Co. Ltd. on September 1, 2020.

## 2. Summary of tenant transaction volume

### (1) Tenant transaction volume by store

(Millions of yen, %)

Store	Six months ended August 31, 2020		Store	Six months ended August 31, 2020	
	Amount	YoY %		Amount	YoY %
Sapporo PARCO	2,965	(53.6)	Shintokorozawa PARCO	3,473	(32.8)
Sendai PARCO	5,650	(44.0)	Tsudanuma PARCO	3,690	(39.3)
Urawa PARCO	9,263	(33.1)	Hibarigaoka PARCO	2,611	(33.7)
Ikebukuro PARCO	5,703	(57.9)	Matsumoto PARCO	1,594	(38.5)
PARCO_ya Ueno	1,327	(55.0)	Utsunomiya PARCO	—	—
Kichijoji PARCO	2,215	(56.1)	Kumamoto PARCO	—	—
Shibuya PARCO	4,169	483.2	Total community store group	11,369	(43.7)
Kinshicho PARCO	2,576	(43.9)	Total urban/community stores	73,263	(42.4)
Chofu PARCO	6,168	(33.1)	Total existing stores	69,405	(44.4)
Shizuoka PARCO	2,983	(40.4)	Notes: 1. Tenant transaction volume is the total amount of transactions conducted by tenants at PARCO stores. 2. The main building of Shibuya PARCO opened on November 22, 2019. Utsunomiya PARCO and Kumamoto PARCO closed on May 31, 2019 and February 29, 2020, respectively. 3. Total existing stores does not include sales from the main building of Shibuya PARCO, Utsunomiya PARCO and Kumamoto PARCO.		
Nagoya PARCO	8,520	(49.5)			
Hiroshima PARCO	4,393	(41.0)			
Fukuoka PARCO	5,956	(47.2)			
Total urban store group	61,893	(42.2)			

### (2) YoY change in monthly tenant transaction volume

(%)

Month	March	April	May	June	July	August	Six months ended August 31, 2020
Total all stores	(29.1)	(82.2)	(82.3)	(14.9)	(22.1)	(23.7)	(42.4)
Total existing stores	(31.8)	(82.2)	(81.8)	(18.2)	(25.2)	(27.8)	(44.4)

### (3) Tenant transaction volume by merchandise category (existing stores)

Merchandise category	YoY %
Womenswear	(47.6)
Menswear	(50.4)
General clothing	(44.4)
Total clothing	(46.9)
Shoes	(46.9)
Bags	(55.9)
Jewelry	(45.7)
Cosmetics	(35.5)
Total accessories	(42.2)
General goods	(31.5)
Foods	(9.4)
Restaurants	(54.1)
Other	(67.9)
Total	(44.4)

### (4) Number of paying customers and average spend per customer (existing stores)

Category	YoY %
Number of paying customers	(39.7)
Average spend per customer	(7.7)

### (5) Credit card (existing stores)

(Millions of yen, %)

Category	Transaction volume	YoY %	Share of transaction volume
Credit card	33,563	(38.5)	48.4
Parco card	11,570	(48.6)	16.7

### (6) Renovation

Number of sections	97
Renovated area (m <sup>2</sup> )	15,000
YoY change in zone transaction volume (%)	(17.8)

(7) Duty-free tenant transaction percentage of main stores

(%)

	YoY %	Share	YoY change in share
Sapporo PARCO	(97.6)	0.7	(12.2)
Ikebukuro PARCO	(79.0)	1.9	(1.9)
Nagoya PARCO	(90.8)	0.4	(1.7)
Fukuoka PARCO	(93.8)	0.4	(3.3)
Total existing stores	(90.1)	0.4	(1.7)

Notes: 1. Duty-free tenant transaction volume is calculated by totaling purchases via foreign-issued credit cards and Chinese mobile payments.

2. Total existing stores does not include sales from the main building of Shibuya PARCO, Utsunomiya PARCO and Kumamoto PARCO.

3. Components of operating costs (results and full year forecast)

(Millions of yen, %)

Component	Six months ended August 31, 2020			Full year ending February 28, 2021		
	Amount	YoY %	Ratio to sales	Amount	YoY %	Ratio to sales
Personnel expenses	623	(28.4)	3.2	1,460	(17.6)	2.9
Rent expenses on land and buildings	403	(33.8)	2.1	980	(17.3)	1.9
Advertising expenses	1,071	(54.5)	5.5	3,500	(27.5)	6.9
Outsourcing expenses	1,998	(9.7)	10.2	4,810	4.0	9.5
Depreciation	5,468	(13.3)	28.0	13,760	4.8	27.2
Utilities expenses	1,505	(22.5)	7.7	3,880	3.8	7.7
Repair expenses	797	(2.2)	4.1	2,280	40.6	4.5
Other	1,609	(48.7)	8.2	8,630	(7.0)	17.1
Total	13,478	(26.2)	69.0	39,300	(36.5)	77.7

Note: The Real Estate Business was transferred from Daimaru Matsuzakaya Department Stores Co. Ltd. on September 1, 2020.

4. Components of SGA (results and full year forecast)

(Millions of yen, %)

Component	Six months ended August 31, 2020			Full year ending February 28, 2021		
	Amount	YoY %	Ratio to sales	Amount	YoY %	Ratio to sales
Personnel expenses	1,973	(1.5)	10.1	4,160	(0.4)	8.2
Rent expenses on land and buildings	106	32.1	0.5	310	97.9	0.6
Advertising expenses	51	(58.0)	0.3	260	21.8	0.5
Outsourcing expenses	659	12.3	3.4	1,630	7.4	3.2
Depreciation	504	(16.7)	2.6	1,220	(1.8)	2.4
Taxes and dues	208	(18.1)	1.1	510	(8.8)	1.0
Other	740	(26.1)	3.8	2,410	18.6	4.8
Total	4,243	(8.8)	21.8	10,500	6.1	20.8

Note: The Real Estate Business was transferred from Daimaru Matsuzakaya Department Stores Co. Ltd. on September 1, 2020.



## 5. Components of other operating income and other operating expenses (results and full year forecast)

(Millions of yen)

Component	Six months ended August 31, 2020	Full year ending Feb 28, 2021	Remarks
Other operating income	440	700	
Gain on sale of fixed assets	0	0	
Subsidies for employment adjustment	91	115	
Other	349	585	
Other operating expenses	3,875	4,400	
Loss on disposal of fixed assets	71	500	Partial removal/disposal of assets due to in-store renovation and facility replacement at stores
Impairment losses	1,280	1,280	Matsumoto PARCO, etc.
Costs associated with temporary closure	2,496	2,496	
Other	27	124	

## 6. Components of finance income and finance costs (results and full year forecast)

(Millions of yen, %)

Component	Six months ended August 31, 2020		Full year ending February 28, 2021	
	Amount	YoY %	Amount	YoY %
Finance income	402	14.8	500	13.9
Interest and dividend income	402	14.8	500	13.9
Finance costs	1,324	0.9	2,850	8.3
Interest expenses	1,324	0.9	2,850	8.3