Translation

June 30, 2026

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending February 28, 2027 (under IFRS)

Company name: **J. FRONT RETAILING Co., Ltd.**
Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
Securities code: 3086
URL: https://www.j-front-retailing.com/english/
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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first three months of the fiscal year ending February 28, 2027 (from March 1, 2026 to May 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Gross sales		Sales revenue		Business profit		Operating profit		Profit before tax	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	317,574	3.3	106,435	(3.9)	14,114	1.7	14,122	(11.7)	13,242	(12.3)
May 31, 2025	307,403	2.6	110,802	9.2	13,874	(15.4)	15,990	(0.9)	15,097	(3.4)

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
May 31, 2026	9,697	(7.5)	10,166	(3.1)	39.19	39.15
May 31, 2025	10,483	(7.4)	10,494	(15.7)	41.25	41.21

* 1. Of sales revenue, sales from purchase recorded at the time of sale (shoka shiire) of the "Department Store Business" have been converted into gross amount and the net amount of sales of the "SC Business" into tenant transaction volume (gross amount basis) to calculate gross sales.
2. Business profit is obtained by subtracting cost of sales and selling, general and administrative expense from sales revenue. Operating profit is obtained by adding other operating income to and subtracting other operating expenses from business profit.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
May 31, 2026	1,150,763	423,239	410,941	35.7	1,676.97
February 28, 2026	1,141,567	428,022	415,586	36.4	1,671.35

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	–	27.00	–	27.00	54.00
Fiscal year ending February 28, 2027	–				
Fiscal year ending February 28, 2027 (Forecast)		28.00	–	28.00	56.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(Percentages indicate year-on-year changes.)

	Gross sales		Sales revenue		Business profit		Operating profit		Profit before tax	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months ending August 31, 2026	633,000	1.7	220,000	0.0	22,000	(21.9)	22,000	(26.6)	20,000	(28.3)
Fiscal year ending February 28, 2027	1,347,000	4.4	469,000	5.4	52,000	2.8	47,000	(4.1)	42,000	(5.7)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
First six months ending August 31, 2026	14,000	(23.7)	56.85
Fiscal year ending February 28, 2027	29,000	2.5	118.16

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates

a. Changes in accounting policies required by IFRS: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

(3) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2026	270,565,764 shares
As of February 28, 2026	270,565,764 shares

b. Number of treasury shares at the end of the period

As of May 31, 2026	25,515,880 shares
As of February 28, 2026	21,912,861 shares

c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the three months ended May 31, 2026	247,422,562 shares
For the three months ended May 31, 2025	254,177,715 shares

*** Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None**

*** Proper use of earnings forecasts, and other special matters**

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors. Please refer to “1. Overview of operating results (4) Explanation of consolidated earnings forecasts and other forward-looking statements” on page 6 of the material attached to this quarterly financial results report for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(How to obtain supplementary material on financial results)

Supplementary material on financial results was disclosed on the same day on TDnet.

[Attached Material]

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1. Overview of operating results

(1) Overview of operating results for the period

(Millions of yen, %)	Three months ended May 31, 2026 (from March to May)		
	Results	Year-on-year changes	
		Change in amount	Change in percentage
Gross sales	317,574	10,171	3.3
Sales revenue	106,435	(4,367)	(3.9)
Gross profit	53,506	824	1.6
Selling, general and administrative expense	39,392	584	1.5
Business profit	14,114	240	1.7
Other operating income	887	(1,841)	(67.5)
Other operating expenses	880	267	43.5
Operating profit	14,122	(1,868)	(11.7)
Profit attributable to owners of parent	9,697	(786)	(7.5)

In the three months ended May 31, 2026 (from March 1, 2026 to May 31, 2026), consolidated sales revenue decreased by 3.9% year on year to ¥106,435 million, primarily due to a decline following large orders related to interior and facility projects in the Developer Business from the previous year. On the other hand, gross profit increased steadily, mainly in the Department Store Business, SC (Shopping Center) Business, and Payment and Finance Business, resulting in a business profit of ¥14,114 million, up 1.7% year on year. Due to the absence of gains from the sale of non-current assets recorded in the previous year, operating profit was ¥14,122 million, down 11.7% year on year, and profit attributable to owners of parent was ¥9,697 million, down 7.5% year on year.

During the three months ended May 31, 2026, the Japanese economy showed signs of a gradual recovery due to firm personal consumption on the back of an improvement in employment and income conditions, and wage increase trends, among other factors. In addition, consumption by foreign tourists visiting Japan also remained steady on the back of the yen's depreciation, etc. On the other hand, we recognize that we need to keep a close eye on the downward pressure on consumer sentiment due to rising prices amid heightened tensions in the Middle East, which have led to soaring crude oil prices and difficulties in procuring raw materials, as well as mounting uncertainties surrounding geopolitical risks.

Under these circumstances, we are focusing on further deepening the retail businesses, evolving Group synergies, and strengthening the Group's management foundation as the culmination of the Medium-term Business Plan (FY2024-FY2026), which we position as a "period of change" towards achieving the Group's vision of transforming into a "Value Co-creation Retailer."

As part of our efforts for deepening the retail businesses, in the Department Store Business and SC Business, we strengthened initiatives to expand the customer base in Japan and overseas, improve the appeal of customer contact points, and enhance content. In the Department Store Business, in addition to focusing on the introduction of content that aims deeper cultivation of existing customers and the winning of next-generation customers and enhancing experiential value at the Matsuzakaya Nagoya store, where renovations of the Main Building and North Building were completed in the previous fiscal year, we proceeded with large-scale renovation of the Daimaru Umeda store. In addition, we worked to broaden the area of out-of-store activities and enhance experiential events, among other initiatives, to strengthen our affluent business. In the SC Business, we mainly proceeded with large-scale renovation centered on unique fashion and IP content at stores such as Shinsaibashi PARCO and Ikebukuro PARCO.

In evolving Group synergies, we have advanced preparations for opening "HAERA," a new commercial facility that combines a department store and PARCO to enhance the appeal of the Nagoya Sakae area, which opened on June 11. Additionally, we have embarked on renovations to convert part of the South Building of the Matsuzakaya Nagoya store into a PARCO-operated commercial facility. In the Osaka Shinsaibashi area, the "QUARTZ SHINSAIBASHI" complex, which is one of the largest complexes in the area, opened in April with partial investment from the Company. In the ownership and development of in-house content, the game label PARCO GAMES, which began its publishing business in 2025, announced "Finding Polka" as its fourth title. Additionally, to strengthen the restructuring of the Group's architectural interior design and building management business, the newly integrated company, J. FRONT PRIME SPACE Co., Ltd., officially commenced operations in March.

Additionally, with the aim of improving medium- to long-term return on equity and enhancing shareholder returns, we purchased treasury shares up to a limit of ¥10 billion.

Business results by segment are as follows.

<Department Store Business>

(Millions of yen, %)	Three months ended May 31, 2026 (from March to May)		
	Results	Year-on-year changes	
		Change in amount	Change in percentage
Sales revenue	63,383	(215)	(0.3)
Business profit	8,291	14	0.2
Operating profit	8,506	(546)	(6.0)

Regarding the performance of the Department Store Business in the three months ended May 31, 2026, domestic sales, particularly in out-of-store sales, and duty-free sales increased. However, there was a negative impact due to the reduction in sales floor area following the large-scale renovation of the Daimaru Umeda store, as well as a decline from the previous year's Expo-related sales. As a result, sales revenue was ¥63,383 million, down 0.3% year on year, business profit was ¥8,291 million, up 0.2% year on year. Operating profit was ¥8,506 million, down 6.0% year on year, partly due to the absence of gains from the sale of non-current assets recorded in the previous year.

In line with the key strategies of the Medium-term Business Plan, we are working to enhance the appeal of stores. At the Matsuzakaya Nagoya store, where renovations of the Main Building and North Building were completed in the previous fiscal year, we are focusing on introducing content aimed at deepening relationships with existing customers and attracting next-generation customers, as well as enhancing experiential value. Additionally, with the opening of "HAERA" on June 11, we will promote collaborative measures with group companies to further enhance the appeal of the Nagoya Sakae area.

To further strengthen our affluent business, we have focused on expanding the customer base by enhancing services for app members, broadening the scope of out-of-store sales activities, and enriching experiential value at out-of-store sales events in various regions.

In addition, to ensure steady growth in duty-free sales, we are working to expand our overseas customer base by enhancing CRM for inbound tourism to facilitate communication with overseas customers and implementing campaigns in collaboration with overseas payment processors, both of which are progressing smoothly.

<SC Business>

(Millions of yen, %)	Three months ended May 31, 2026 (from March to May)		
	Results	Year-on-year changes	
		Change in amount	Change in percentage
Sales revenue	17,345	709	4.3
Business profit	4,165	(15)	(0.3)
Operating profit	4,043	(1,447)	(26.4)

With regard to the performance of the SC Business in the three months ended May 31, 2026, sales revenue was ¥17,345 million, up 4.3% year on year, business profit was ¥4,165 million, down 0.3% year on year, and operating profit was ¥4,043 million, down 26.4% year on year. Sales revenue increased due to strong performance at Shibuya PARCO, which underwent large-scale renovations last year, among other factors. However, business profit remained roughly flat mainly due to selling, general, and administrative expenses exceeding the previous year's levels. Operating profit decreased mainly due to the absence of gains from the sale of the former Matsumoto PARCO's real estate in the previous year.

Regarding the key strategies based on the Medium-term Business Plan, as part of the "building frame restructuring" to structurally evolve store operations, we are primarily advancing large-scale renovations at Shinsaibashi PARCO to create new experiential value, marking the first major renovation since its opening in 2020. Additionally, at Ikebukuro PARCO, we are promoting the largest renovation since its opening, centered on fashion and popular culture.

As part of efforts to enhance content, the game label PARCO GAMES, which began its publishing business in 2025, announced “Finding Polka” as its fourth title. In addition, to expand its business, PARCO GAMES made its first-ever participation in “BitSummitPUNCH,” one of Japan’s largest indie game events. In addition, taking the opportunity of opening of the new “HAERA” commercial facility, we will deepen collaboration with each company of the Group and contribute to further enhancing the appeal of the Nagoya Sakae area.

<Developer Business>

(Millions of yen, %)	Three months ended May 31, 2026 (from March to May)		
	Results	Year-on-year changes	
		Change in amount	Change in percentage
Sales revenue	19,120	(5,414)	(22.1)
Business profit	1,860	(424)	(18.6)
Operating profit	1,764	(525)	(22.9)

With regard to the performance of the Developer Business in the three months ended May 31, 2026, sales revenue was ¥19,120 million, down 22.1% year on year, business profit was ¥1,860 million, down 18.6% year on year, and operating profit was ¥1,764 million, down 22.9% year on year, mainly due to a reactionary decline following the large-scale construction orders at J.FRONT PRIME SPACE Co., Ltd. in the previous fiscal year.

Based on a key area strategy, we have advanced preparations for opening “HAERA,” a new commercial facility, in collaboration with the Department Store and SC Business in the Nagoya Sakae area. In the Shinsaibashi area, the “QUARTZ SHINSAIBASHI” complex opened in April with partial investment from the Company. Additionally, we invested in a special purpose company to acquire HULIC Minatomirai and were entrusted with commercial advisory services for a large-scale complex located in the prime location of Yokohama Minatomirai area.

In addition, we carried out business restructuring and consolidation of J. Front Design & Construction Co., Ltd. and PARCO SPACE SYSTEMS Co., Ltd., which are responsible for the Group’s architectural interior design and building management business, and the newly integrated company, J. FRONT PRIME SPACE Co., Ltd., officially commenced operations in March.

We will continue to work together as a Group to further enhance our presence and improve the attractiveness of key areas with the retail business at the core.

<Payment and Finance Business>

(Millions of yen, %)	Three months ended May 31, 2026 (from March to May)		
	Results	Year-on-year changes	
		Change in amount	Change in percentage
Sales revenue	3,650	510	16.2
Business profit	437	346	377.4
Operating profit	425	336	376.4

With regard to the performance of the Payment and Finance Business in the three months ended May 31, 2026, sales revenue was ¥3,650 million, up 16.2% year on year, business profit was ¥437 million, up 377.4% year on year, and operating profit was ¥425 million, up 376.4% year on year.

Sales revenue increased because of higher affiliated store fee revenue due to an expansion in transaction volume, despite an increase in point costs and a decrease in annual membership fees. As a result, both business profit and operating profit increased.

Taking the completion of the consolidation of the Group's cards in the previous fiscal year as an opportunity, we promoted measures for the acquisition of each card's members, and the number of cards issued in the three months ended May 31, 2026 increased year on year. To expand card transaction volume, we have been advancing the expansion and optimization of credit limits. Additionally, the finance balance for Daimaru Matsuzakaya Cards has reached a record high level. In the Affiliated Store Business, transaction volume has increased due to the acquisition of affiliates in the seven key areas and the expansion of acquiring operations at the Group's commercial facilities. Regarding our initiative to combat the unauthorized use of credit cards, a challenge for the industry, the effect of various measures, etc. has led to a reduction in unauthorized use.

(2) Overview of financial position for the period

(Position of assets, liabilities, and equity)

(Millions of yen, %)	As of February 28, 2026	As of May 31, 2026	Change in amount
Current assets	227,519	234,331	6,812
Non-current assets	914,047	916,431	2,384
Total assets	1,141,567	1,150,763	9,196
Current liabilities	324,502	364,685	40,183
Non-current liabilities	389,042	362,837	(26,205)
Total liabilities	713,544	727,523	13,979
Equity attributable to owners of parent	415,586	410,941	(4,645)
Ratio of equity attributable to owners of parent to total assets	36.4	35.7	(0.7)
Total equity	428,022	423,239	(4,783)

Total assets as of May 31, 2026 were ¥1,150,763 million, an increase of ¥9,196 million compared with February 28, 2026, mainly due to an increase in trade and other receivables. Total liabilities were ¥727,523 million, an increase of ¥13,979 million compared with February 28, 2026, mainly due to an increase in bonds and borrowings. Interest-bearing debt (including lease liabilities) was ¥353,437 million, up ¥16,762 million compared with February 28, 2026.

Total equity was ¥423,239 million, a decrease of ¥4,783 million compared with February 28, 2026. This was mainly due to purchase of treasury shares and payment of dividends despite the recording of profit.

(3) Overview of cash flow position for the period

(Millions of yen)	Three months ended May 31, 2025	Three months ended May 31, 2026	Change in amount
Net cash flows from (used in) operating activities	(4,195)	6,009	10,204
Net cash flows from (used in) investing activities	(657)	(17,772)	(17,115)
Free cash flows	(4,853)	(11,763)	(6,910)
Net cash flows from (used in) financing activities	(12,782)	1,203	13,985
Net increase (decrease) in cash and cash equivalents	(17,636)	(10,560)	7,076

(Millions of yen, %)	As of February 28, 2026	As of May 31, 2026	Change in amount
Cash and cash equivalents at end of period	36,099	25,592	(10,507)

The balance of cash and cash equivalents (hereinafter "cash") as of May 31, 2026 amounted to ¥25,592 million, down ¥10,507 million compared with February 28, 2026.

Cash flow positions in the three months ended May 31, 2026 and the factors for these were as follows.

a. Net cash flows from (used in) operating activities

Net cash provided by operating activities was ¥6,009 million. In comparison with the three months ended May 31, 2025, cash provided increased by ¥10,204 million, mainly due to a decrease in income taxes paid.

b. Cash flows from (used in) investing activities

Net cash used in investing activities was ¥17,772 million. In comparison with the three months ended May 31, 2025, cash used increased by ¥17,115 million mainly due to purchase of investments accounted for using equity method.

c. Cash flows from (used in) financing activities

Net cash provided by financing activities was ¥1,203 million. In comparison with the three months ended May 31, 2025, cash used decreased by ¥13,985 million mainly due to funding through borrowings and the issuance of commercial paper, while there was a counter-reaction to the proceeds from the issuance of bonds in the previous year.

(4) Explanation of consolidated earnings forecasts and other forward-looking statements

The consolidated earnings forecasts are unchanged from the forecasts for the first six months ending August 31, 2026 and the fiscal year ending February 28, 2027 announced in the consolidated financial results released on April 14, 2026.

2. Condensed quarterly consolidated financial statements and significant notes thereto

(1) Condensed quarterly consolidated statement of financial position

	As of February 28, 2026	As of May 31, 2026
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	36,099	25,592
Trade and other receivables	155,096	170,642
Other financial assets	14,266	15,482
Inventories	14,129	13,351
Other current assets	6,503	9,261
Subtotal	226,095	234,331
Assets held for sale	1,423	–
Total current assets	227,519	234,331
Non-current assets		
Property, plant and equipment	468,476	467,519
Right-of-use assets	123,174	121,061
Goodwill	6,799	6,799
Investment property	177,187	181,954
Intangible assets	9,955	9,973
Investments accounted for using equity method	28,129	38,034
Other financial assets	82,238	78,076
Deferred tax assets	2,700	2,849
Other non-current assets	15,385	10,163
Total non-current assets	914,047	916,431
Total assets	1,141,567	1,150,763

	As of February 28, 2026	As of May 31, 2026
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	45,220	88,683
Trade and other payables	161,326	165,194
Lease liabilities	24,060	22,697
Other financial liabilities	27,655	25,995
Income tax payables	6,186	5,042
Provisions	624	731
Other current liabilities	59,430	56,340
Total current liabilities	324,502	364,685
Non-current liabilities		
Bonds and borrowings	131,316	110,581
Lease liabilities	136,079	131,474
Other financial liabilities	33,474	33,580
Retirement benefit liabilities	14,486	14,335
Provisions	6,308	6,177
Deferred tax liabilities	66,901	66,091
Other non-current liabilities	476	596
Total non-current liabilities	389,042	362,837
Total liabilities	713,544	727,523
Equity		
Capital	31,974	31,974
Share premium	187,549	187,610
Treasury shares	(38,620)	(46,842)
Other components of equity	19,545	20,232
Retained earnings	215,138	217,966
Total equity attributable to owners of parent	415,586	410,941
Non-controlling interests	12,436	12,298
Total equity	428,022	423,239
Total liabilities and equity	1,141,567	1,150,763

(2) Condensed quarterly consolidated statement of income

	Three months ended May 31, 2025	Three months ended May 31, 2026
	Millions of yen	Millions of yen
Sales revenue	110,802	106,435
Cost of sales	(58,120)	(52,928)
Gross profit	52,682	53,506
Selling, general and administrative expense	(38,808)	(39,392)
Other operating income	2,728	887
Other operating expenses	(613)	(880)
Operating profit	15,990	14,122
Finance income	195	291
Finance costs	(1,479)	(1,645)
Share of profit (loss) of investments accounted for using equity method	391	474
Profit before tax	15,097	13,242
Income tax expense	(4,628)	(3,595)
Profit	10,469	9,646
Profit attributable to:		
Owners of parent	10,483	9,697
Non-controlling interests	(14)	(50)
Profit	10,469	9,646
Earnings per share		
Basic earnings per share (Yen)	41.25	39.19
Diluted earnings per share (Yen)	41.21	39.15

(3) Condensed quarterly consolidated statement of comprehensive income

	Three months ended May 31, 2025	Three months ended May 31, 2026
	Millions of yen	Millions of yen
Profit	10,469	9,646
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	129	631
Remeasurements of defined benefit plans	–	(161)
Share of other comprehensive income of entities accounted for using equity method	0	0
Total items that will not be reclassified to profit or loss	129	470
Items that may be reclassified to profit or loss		
Cash flow hedges	17	1
Exchange differences on translation of foreign operations	(120)	48
Total items that may be reclassified to profit or loss	(103)	50
Other comprehensive income, net of tax	25	520
Comprehensive income	10,494	10,166
Comprehensive income attributable to:		
Owners of parent	10,507	10,222
Non-controlling interests	(13)	(55)
Comprehensive income	10,494	10,166

(4) Condensed quarterly consolidated statement of changes in equity

Three months ended May 31, 2025

	Equity attributable to owners of parent					
				Other components of equity		
	Capital	Share premium	Treasury shares	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2025	31,974	188,081	(23,940)	525	(29)	13,722
Profit	–	–	–	–	–	–
Other comprehensive income	–	–	–	(120)	17	127
Total comprehensive income	–	–	–	(120)	17	127
Purchase of treasury shares	–	(5)	(8,943)	–	–	–
Dividends	–	–	–	–	–	–
Share-based payment transactions	–	165	167	–	–	–
Obtaining of control of subsidiaries	–	–	–	–	–	–
Change due to capital increase of consolidated subsidiaries	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	(103)
Total transactions with owners	–	160	(8,775)	–	–	(103)
Balance at May 31, 2025	31,974	188,242	(32,716)	405	(11)	13,746

	Equity attributable to owners of parent					
	Other components of equity					
	Remeasure-ments of defined benefit plans	Total	Retained earnings	Total	Non-controlling interests	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2025	–	14,219	199,311	409,646	13,588	423,235
Profit	–	–	10,483	10,483	(14)	10,469
Other comprehensive income	–	24	–	24	1	25
Total comprehensive income	–	24	10,483	10,507	(13)	10,494
Purchase of treasury shares	–	–	–	(8,948)	–	(8,948)
Dividends	–	–	(7,685)	(7,685)	(94)	(7,780)
Share-based payment transactions	–	–	–	333	–	333
Obtaining of control of subsidiaries	–	–	–	–	294	294
Change due to capital increase of consolidated subsidiaries	–	–	–	–	1	1
Transfer from other components of equity to retained earnings	–	(103)	103	–	–	–
Total transactions with owners	–	(103)	(7,582)	(16,300)	200	(16,100)
Balance at May 31, 2025	–	14,140	202,212	403,853	13,776	417,630

Three months ended May 31, 2026

	Equity attributable to owners of parent					
				Other components of equity		
	Capital	Share premium	Treasury shares	Exchange differences on translation of foreign operations	Cash flow hedges	Financial assets measured at fair value through other comprehensive income
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2026	31,974	187,549	(38,620)	622	11	18,910
Profit	–	–	–	–	–	–
Other comprehensive income	–	–	–	48	1	636
Total comprehensive income	–	–	–	48	1	636
Purchase of treasury shares	–	(4)	(8,385)	–	–	–
Disposal of treasury shares	–	0	0	–	–	–
Dividends	–	–	–	–	–	–
Share-based payment transactions	–	129	163	–	–	–
Change due to capital increase of consolidated subsidiaries	–	–	–	–	–	–
Changes in ownership interests in subsidiaries	–	(63)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	–	–	–
Total transactions with owners	–	61	(8,221)	–	–	–
Balance at May 31, 2026	31,974	187,610	(46,842)	671	13	19,547

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity					
	Remeasure-ments of defined benefit plans	Total	Retained earnings	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance at March 1, 2026	–	19,545	215,138	415,586	12,436	428,022
Profit	–	–	9,697	9,697	(50)	9,646
Other comprehensive income	(161)	525	–	525	(4)	520
Total comprehensive income	(161)	525	9,697	10,222	(55)	10,166
Purchase of treasury shares	–	–	–	(8,389)	–	(8,389)
Disposal of treasury shares	–	–	–	0	–	0
Dividends	–	–	(6,707)	(6,707)	(74)	(6,781)
Share-based payment transactions	–	–	–	292	–	292
Change due to capital increase of consolidated subsidiaries	–	–	–	–	3	3
Changes in ownership interests in subsidiaries	–	–	–	(63)	(11)	(74)
Transfer from other components of equity to retained earnings	161	161	(161)	–	–	–
Total transactions with owners	161	161	(6,868)	(14,867)	(81)	(14,949)
Balance at May 31, 2026	–	20,232	217,966	410,941	12,298	423,239

(5) Condensed quarterly consolidated statement of cash flows

	Three months ended May 31, 2025	Three months ended May 31, 2026
	Millions of yen	Millions of yen
Cash flows from (used in) operating activities		
Profit before tax	15,097	13,242
Depreciation and amortization expense	11,296	11,164
Finance income	(195)	(291)
Finance costs	1,479	1,645
Share of loss (profit) of investments accounted for using equity method	(391)	(474)
Loss (gain) on sales of non-current assets	(1,817)	(435)
Loss on disposals of non-current assets	399	596
Decrease (increase) in inventories	(601)	778
Decrease (increase) in trade and other receivables	(11,231)	(15,577)
Increase (decrease) in trade and other payables	5,645	3,966
Increase (decrease) in retirement benefit liabilities	3	(151)
Decrease (increase) in retirement benefit assets	(0)	5,544
Other, net	(11,895)	(7,477)
Subtotal	7,787	12,530
Interest received	34	51
Dividends received	46	100
Interest paid	(1,513)	(1,750)
Income taxes paid	(10,548)	(4,923)
Net cash flows from (used in) operating activities	(4,195)	6,009
Cash flows from (used in) investing activities		
Purchase of property, plant and equipment	(4,615)	(5,631)
Proceeds from sales of property, plant and equipment, and intangible assets	3,397	1,862
Purchase of investment property	(182)	(4,432)
Proceeds from sales of investment property	62	2
Purchase of intangible assets	(1,236)	(701)
Purchase of investment securities	(267)	(434)
Proceeds from sales of investment securities	132	100
Purchase of investments accounted for using equity method	–	(9,618)
Proceeds from refund of guarantee deposits	1,938	1,434
Other, net	111	(353)
Net cash flows from (used in) investing activities	(657)	(17,772)
Cash flows from (used in) financing activities		
Net increase (decrease) in current borrowings	–	25,900
Net increase (decrease) in commercial papers	–	19,963
Repayments of non-current borrowings	(19,750)	(8,150)
Proceeds from issuance of bonds	29,849	–
Redemption of bonds	–	(15,000)
Repayments of lease liabilities	(6,441)	(6,257)
Purchase of treasury shares	(8,948)	(8,389)
Dividends paid	(7,693)	(6,707)
Dividends paid to non-controlling interests	(94)	(74)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(74)
Other, net	295	(6)
Net cash flows from (used in) financing activities	(12,782)	1,203
Net increase (decrease) in cash and cash equivalents	(17,636)	(10,560)
Cash and cash equivalents at beginning of period	54,975	36,099
Effect of exchange rate changes on cash and cash equivalents	(86)	54
Cash and cash equivalents at end of period	37,252	25,592

(6) Notes to condensed quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Segment information)

(1) Overview of reportable segments

The reportable segments of the Group are constituent units of the Group for which separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating business results.

The Group is comprised, under a holding company structure, of the reportable segments "Department Store Business," "SC Business," "Developer Business" and "Payment and Finance Business," with the Department Store Business at its core.

The Department Store Business carries out the sale of clothing, general goods, household goods, food products and others. The SC Business undertakes development, management, supervision and operation, etc. of shopping centers. The Developer Business carries out development, sales, supervision, operation, interior decorating work, etc. of real estate. The Payment and Finance Business undertakes issuance and administration, etc. of credit cards.

(2) Segment revenue and business results

Revenue and business results by reportable segments of the Group are as follows. Inter-segment transactions are generally based on prevailing market prices.

Three months ended May 31, 2025

	Reportable segments					Other	Total	Adjustments	Consolidated
	Department Store Business	SC Business	Developer Business	Payment and Finance Business	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
External revenue	63,502	16,357	18,568	1,156	99,584	11,215	110,800	2	110,802
Inter-segment revenue	95	279	5,965	1,983	8,325	2,901	11,226	(11,226)	–
Total	63,598	16,636	24,534	3,140	107,910	14,117	122,027	(11,224)	110,802
Segment profit (loss)	9,052	5,490	2,289	89	16,921	(204)	16,717	(726)	15,990
Finance income									195
Finance costs									(1,479)
Share of profit (loss) of investments accounted for using equity method									391
Profit before tax									15,097

Notes: 1. The "Other" category is a business segment not included in reportable segments. It includes wholesaling, parking, leasing, etc.

2. The adjustments for segment profit (loss) include inter-segment eliminations and corporate income and expenses not attributable to any business segment. Corporate income and expenses are mainly income and expenses of the company submitting condensed quarterly consolidated financial statements that are not attributable to any business segment.

3. Segment profit is adjusted to operating profit (loss) in the condensed quarterly consolidated financial statements.

Three months ended May 31, 2026

	Reportable segments					Other	Total	Adjustments	Consolidated
	Department Store Business	SC Business	Developer Business	Payment and Finance Business	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
External revenue	63,269	17,019	13,027	977	94,293	12,139	106,433	1	106,435
Inter-segment revenue	113	325	6,092	2,672	9,204	2,727	11,932	(11,932)	–
Total	63,383	17,345	19,120	3,650	103,498	14,866	118,365	(11,930)	106,435
Segment profit	8,506	4,043	1,764	425	14,740	24	14,764	(642)	14,122
Finance income									291
Finance costs									(1,645)
Share of profit (loss) of investments accounted for using equity method									474
Profit before tax									13,242

Notes:
1. The “Other” category is a business segment not included in reportable segments. It includes wholesaling, parking, leasing, etc.
2. The adjustments for segment profit include inter-segment eliminations and corporate income and expenses not attributable to any business segment. Corporate income and expenses are mainly income and expenses of the company submitting condensed quarterly consolidated financial statements that are not attributable to any business segment.
3. Segment profit is adjusted to operating profit in the condensed quarterly consolidated financial statements.