Financial Results for First Quarter of Fiscal Year Ending February 28, 2027

＜Reference Data＞

June 30, 2026

くらしの「あたらしい幸せ」を発明する。

J. FRONT RETAILING

1Q (March - May) FY2026 Financial Results

J. FRONT RETAILING

＜1Q Financial Summary＞

◆ Consolidated business profit reached 14.1 billion yen, up 1.7% YoY, progressing ahead of the full-year plan.

◆ Despite some negative factors, gross sales in the department store business increased, supported by continued strong performance in gaisho sales and growth in duty-free sales.

◆ Amid a highly uncertain business environment, we will prioritize achieving our full-year performance targets and aim to expand earnings across all business segments.

1Q FY2026 Consolidated Results (IFRS)

J. FRONT RETAILING

- Gross sales increased by 3.3%, supported by strong performance in the department store and shopping center (SC) businesses.
- Business profit rose 1.7% YoY to 14.1 billion yen. However, operating profit declined 11.7%, mainly due to the absence of approx. 1.8 billion yen in fixed asset gains recorded the previous year.

(Unit: Billions of yen, %)

Fiscal year ending February 28, 2027	1Q (March-May)		
	Result	YoY	
		Amount	%
Gross sales	317.5	10.1	3.3
Revenue	106.4	(4.3)	(3.9)
Gross profit	53.5	0.8	1.6
SGA	39.3	0.5	1.5
Business profit	14.1	0.2	1.7
Other operating income	0.8	(1.8)	(67.5)
Other operating expenses	0.8	0.2	43.5
Operating profit	14.1	(1.8)	(11.7)
Profit attributable to owners of parent	9.6	(0.7)	(7.5)

1Q FY2026 Segment Information (IFRS)

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(Unit: Billions of yen, %)

Fiscal year ending February 28, 2027		1Q (March–May) Result	YoY Amount	YoY %
Department Store	Gross sales	200.1	7.5	3.9
	Revenue	63.3	(0.2)	(0.3)
	Business profit	8.2	0.01	0.2
	Operating profit	8.5	(0.5)	(6.0)
SC	Gross profit	92.0	7.2	8.5
	Revenue	17.3	0.7	4.3
	Business profit	4.1	(0.01)	(0.3)
	Operating profit	4.0	(1.4)	(26.4)
Developer	Gross profit	19.1	(5.4)	(22.1)
	Revenue	19.1	(5.4)	(22.1)
	Business profit	1.8	(0.4)	(18.6)
	Operating profit	1.7	(0.5)	(22.9)

Fiscal year ending February 28, 2027		1Q (March-May) Result	YoY Amont	YoY %
Payment and Finance	Gross sales	3.6	0.5	16.2
	Revenue	3.6	0.5	16.2
	Business profit	0.4	0.3	377.4
	Operating profit	0.4	0.3	376.4
Other	Gross sales	15.4	1.0	7.5
	Revenue	14.8	0.7	5.3
	Business profit	0.06	0.1	—
	Operating profit	0.02	0.2	—
Adjustment amount	Gross sales	(12.8)	(0.8)	—
	Revenue	(11.9)	(0.7)	—
	Business profit	(0.7)	0.1	—
	Operating profit	(0.6)	0.08	—

Segment Information (1) Department Store Business (IFRS)

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- Gross sales increased by 3.9%, despite the absence of Expo-related sales and the impact of sales floor closures due to the large-scale renovation of the Umeda store.
- Business profit totaled 8.2 billion yen, unchanged from the previous year, as higher SGA expenses, including higher advertising and promotional costs, offset gains.

(Unit: Billions of yen, %)

Fiscal year ending February 28, 2027	1Q (March-May)		
	Result	YoY	
		Amount	%
Gross sales	200.1	7.5	3.9
Revenue	63.3	(0.2)	(0.3)
Gross profit	40.6	0.4	1.1
SGA	32.3	0.4	1.3
Business profit	8.2	0.01	0.2
Operating profit	8.5	(0.5)	(6.0)

Daimaru Matsuzakaya Department Stores Major Store Sales

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- Total store sales increased by 4.9%, or 8.9% excluding Umeda, with both domestic and duty-free sales growing.
- Domestic sales rose 3.6%, or 7.0% excluding Umeda, driven by gaisho sales. Duty-free sales rose 13.4%, or 20.9% excluding Umeda, due to factors such as an increase in the average spend per customer.

(% increase/decrease)

Fiscal year ending February 28, 2027	YoY
Shinsaibashi	12.4
Umeda	(34.7)
Tokyo	9.5
Kyoto	6.3
Kobe	8.6
Sapporo	10.6
Nagoya	9.4
Total store	**4.9**
Corporation, head office, etc.	(17.1)
Total	**3.6**

Excluding the Umeda store

Domestic	Duty−free	Total store
＋7.0%	＋20.9%	＋8.9%

※ Domestic = Store total – duty-free

Domestic ＋3.6%, Duty-free ＋13.4%

※Domestic = Store total – duty-free

Daimaru Matsuzakaya Department Stores Duty-free Sales

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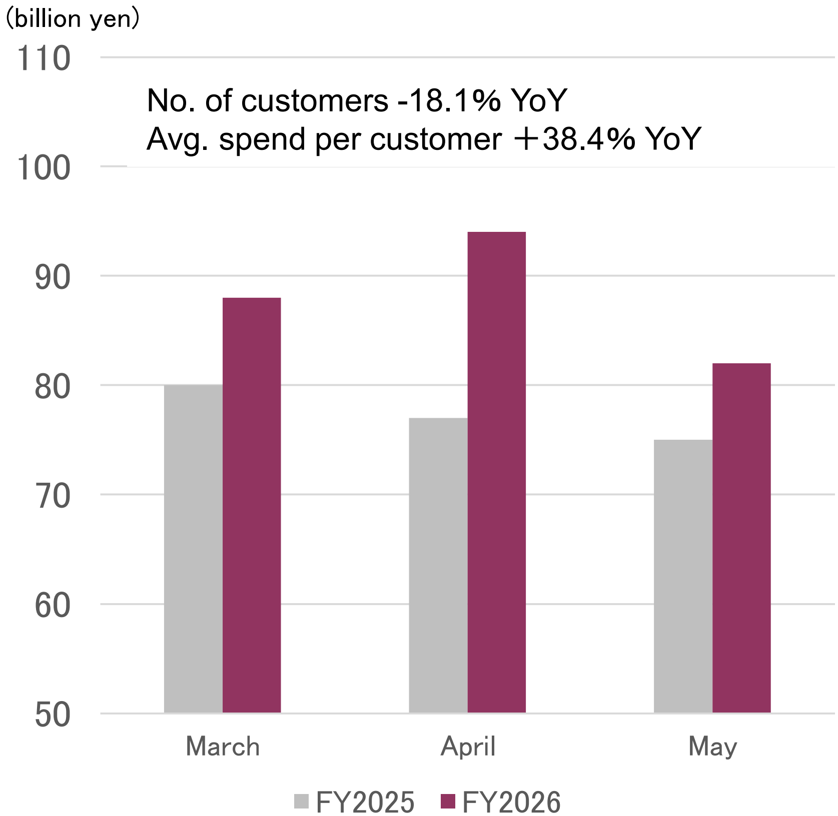
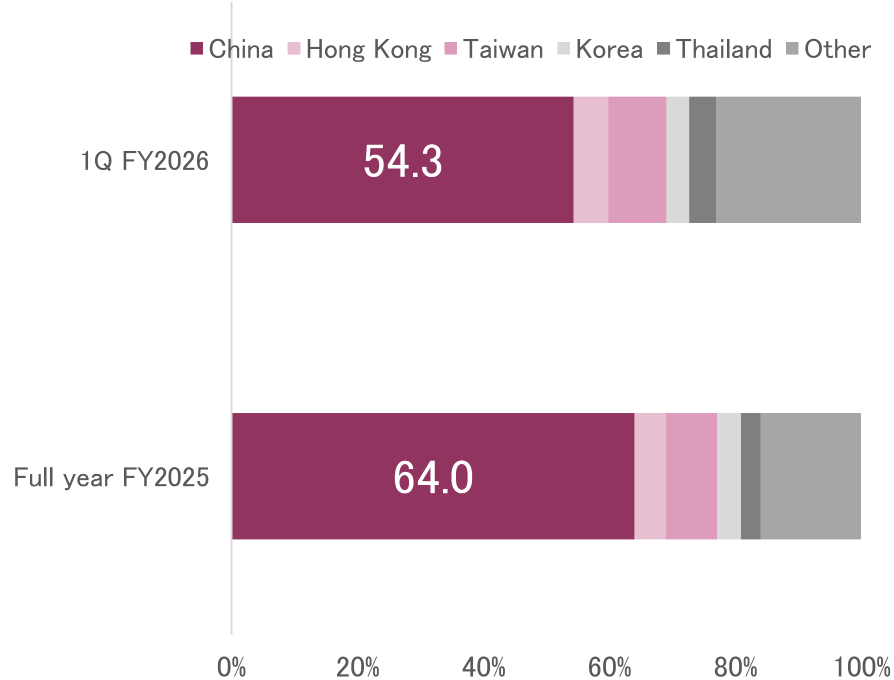
- Duty-free sales rose 13.4%, with a 38.4% increase in average spend per customer offsetting an 18.1% decline in customer numbers due mainly to fewer mainland China visitors.
- Total duty-free sales for the department store business reached 28.0 billion yen, up 13.1% YoY.

Duty-free sales (Mar 2025 – May 2026)



Duty-free sales share by country and region (directly managed stores)



Daimaru Matsuzakaya Department Stores　SGA

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- Expenses increased 300 million yen YoY, mainly due to higher personnel and advertising expenses.
- Excluding Expo-related costs recorded in the previous year, expenses increased by approximately 1.0 billion yen.

(Unit: Millions of yen)

Item	1Q (Mar-May)	YoY	Major reaons for YoY change (March – May)
Personnel	7,875	175	【Personnel expenses】 ・Salary and bonuses　＋120 【Advertising】 ・Event planning expenses　＋230 【Other】 ・Fees　(150) ・Repair expenses　＋100
Advertising	2,703	260	
Packaging and transportation	231	(54)	
Depreciation	4,977	(65)	
Operational	2,832	100	
Other	10,948	(45)	
Total SGA	29,569	371	

Segment Information (2) SC Business (IFRS)

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- Both domestic and inbound transaction volumes remained strong, driving a 4.3% increase in revenue, while business profit declined slightly due to pre-opening expenses for HAERA.
- Operating profit declined 26.4% YoY, mainly due to the absence of gains from the prior-year restructuring of former Matsumoto PARCO.

(Unit: Billions of yen, %)

Fiscal year ending February 28, 2027	1Q (March – May)		
	Result	YoY	
		Amount	%
Gross sales	92.0	7.2	8.5
Revenue	17.3	0.7	4.3
Gross profit	7.1	0.3	5.7
SGA	2.9	0.4	15.5
Business profit	4.1	(0.01)	(0.3)
Operating profit	4.0	(1.4)	(26.4)

PARCO Major Store Tenant Transaction Volume

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- Shibuya PARCO saw a 34.3% increase as renovation effects continued, while Nagoya and Sapporo PARCO also maintained strong performance. Shinsaibashi PARCO recorded a decline in revenue due to the closure of sales floors associated with large-scale renovations.
- Inbound transaction volume increased by 18.4%, maintaining double-digit growth for the sixth consecutive year.

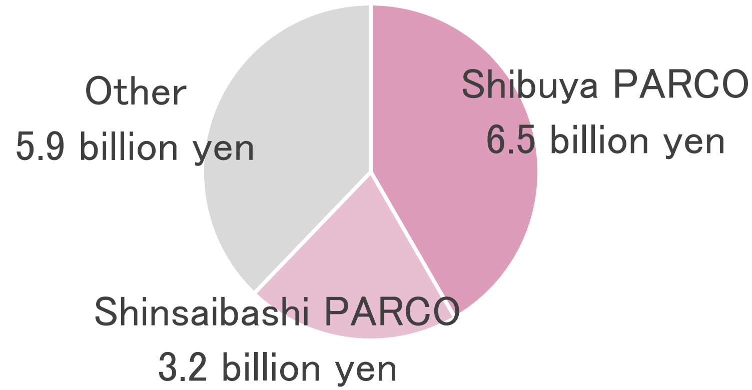
(% increase/decrease)

Fiscal year ending February 28, 2027	YoY
Sapporo PARCO	8.3
Sendai PARCO	3.4
Urawa PARCO	8.4
Ikebukuro PARCO	1.7
Shibuya PARCO	34.3
Chofu PARCO	5.2
Nagoya PARCO	13.8
Shinsaibashi PARCO	(8.8)
Fukuoka PARCO	5.5
Total comparable stores	9.1

Inbound transaction volume

＋18.4% YoY

Inbound transaction volume by store



Segment Information (3) Developer Business (IFRS)

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- J. Front City Development achieved both revenue and profit growth, driven by rental income from new properties.
- J. Front Prime Space recorded declines in both revenue and profit, reflecting the fallback from large-scale construction orders in the previous year, but performance remained broadly in line with the plan.

(Unit: Billions of yen, %)

Fiscal year ending February 28, 2027	1Q (March – May)		
	Result	YoY	
		Amount	%
Gross sales	19.1	(5.4)	(22.1)
Revenue	19.1	(5.4)	(22.1)
Gross profit	3.9	(0.07)	(1.8)
SGA	2.0	0.3	20.6
Business profit	1.8	(0.4)	(18.6)
Operating profit	1.7	(0.5)	(22.9)

Segment Information (4) Payment and Finance Business (IFRS)

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- Revenue increased by 16.2%, driven by higher merchant fees resulting from growth in transaction volume.
- Business profit was 400 million yen, progressing largely in line with the plan.

(Unit: Billions of yen, %)

Fiscal year ending February 28, 2027	1Q (March – May)		
	Result	YoY	
		Amount	%
Gross sales	3.6	0.5	16.2
Revenue	3.6	0.5	16.2
Gross profit	3.6	0.5	16.2
SGA	3.2	0.1	5.4
Business profit	0.4	0.3	377.4
Operating profit	0.4	0.3	376.4

Consolidated Statement of Financial Position (IFRS)

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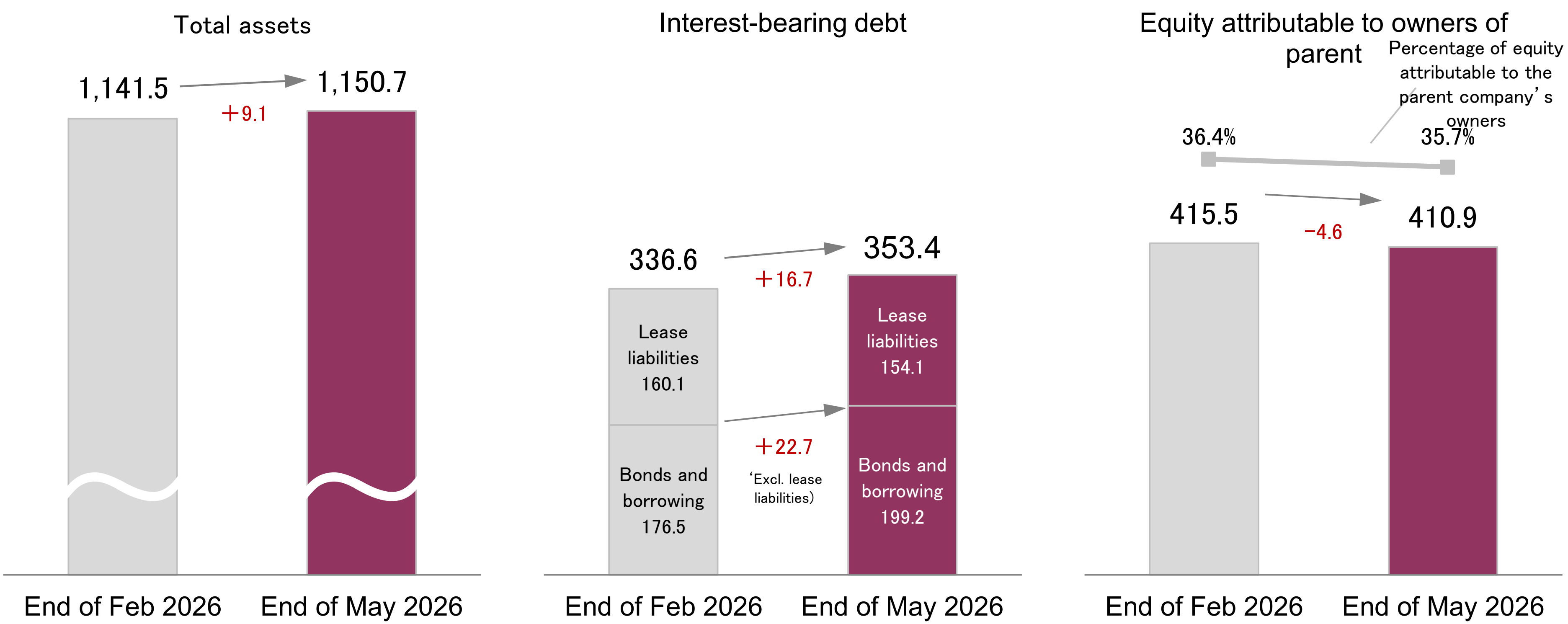
- Total assets amounted to 1,150.7 billion yen, an increase of 9.1 billion yen from the end of the previous fiscal year.
- Interest-bearing debt (excluding lease liabilities) totaled 199.2 billion yen, an increase of 22.7 billion yen from the end of the previous fiscal year.
- Equity attributable to owners of the parent amounted to 410.9 billion yen, a decrease of 4.6 billion yen from the end of the previous fiscal year.



(Unit: Billions of yen)

Consolidated CF Results (IFRS)

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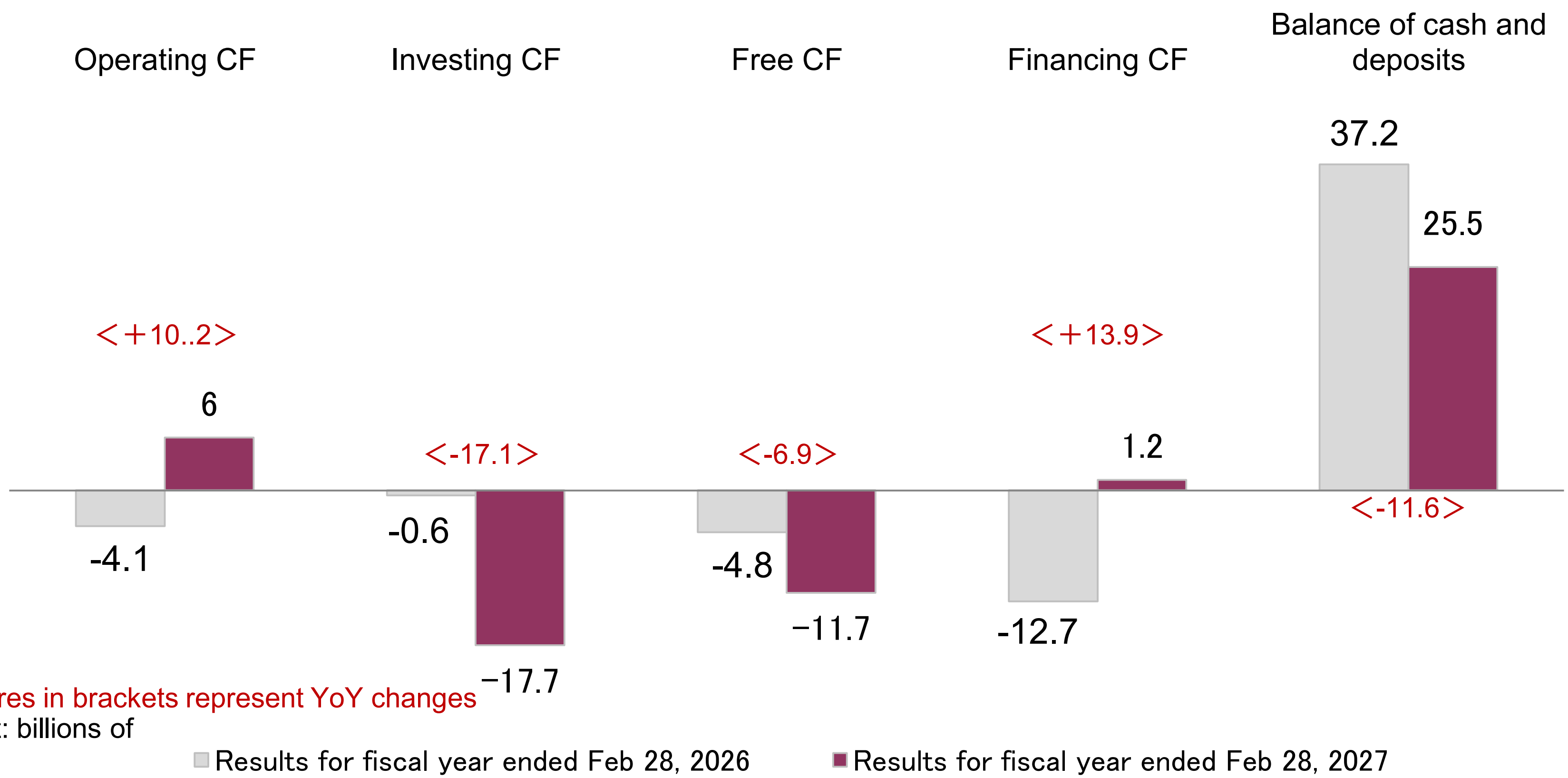
- Operating cash flow recorded an inflow of 6.0 billion yen, an increase of 10.2 billion YoY, mainly due to lower corporate tax payments.
- Investing cash flow recorded an outflow of 17.7 billion yen, primarily due to investments in the developer business.
- Financing cash flow recorded an inflow of 1.2 billion yen, as funds were raised through interest-bearing debt while returning capital to shareholders.



Figures in brackets represent YoY changes
(Unit: billions of yen)

Website https://www.j-front-retailing.com/english/

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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.