

J. Front Retailing Supplementary Information to Financial Results

I. J. Front Retailing Consolidated Statements 【IFRS】

1-1. Consolidated business performance (comparison with previous year and forecast released in October 2019)

(Millions of yen, %)

Item	Results for current period (fiscal year ended February 29, 2020)	Results for previous period (fiscal year ended February 28, 2019)	YoY		Forecast released in October 2019	Vs. forecast
			Amount	%		
1. Gross sales	1,133,654	1,125,153	8,501	0.8	1,167,000	(33,346)
2. Revenue	480,621	459,840	20,781	4.5	492,000	(11,379)
3. Gross profit	206,953	212,396	(5,443)	(2.6)	214,400	(7,447)
[Impact of the adoption of IFRS 16]	[1,316]	[—]	[1,316]	[—]	[1,300]	[16]
4. Gross margin	43.06 %	46.19 %	Difference (3.13) %		43.58 %	Difference (0.52) %
5. Selling, general and administrative expenses (SGA)	161,590	166,882	(5,292)	(3.2)	164,900	(3,310)
6. Business profit	45,363	45,514	(151)	(0.3)	49,500	(4,137)
[Impact of the adoption of IFRS 16]	[4,592]	[—]	[4,592]	[—]	[4,400]	[192]
7. Operating profit	40,286	40,891	(605)	(1.5)	47,000	(6,714)
8. Profit before tax	37,161	42,126	(4,965)	(11.8)	43,700	(6,539)
9. Profit attributable to owners of parent	21,251	27,358	(6,107)	(22.3)	25,800	(4,549)
10. Total assets	1,240,308	1,029,573	210,735		1,260,000	(19,692)
[Of which: right-of-use assets]	[202,516]	[—]	[202,516]		[202,000]	[516]
11. Equity attributable to owners of parent	387,188	412,700	(25,512)		415,000	(27,812)
12. Ratio of equity attributable to owners of parent to total assets	31.2 %	40.1 %	Difference (8.9) %		32.9 %	Difference (1.7) %
13. Total interest-bearing liabilities	478,773	174,378	304,395		418,500	60,273
[Of which: lease liabilities]	[220,497]	[—]	[220,497]		[220,000]	[497]
14. Financial balance	(4,770)	(66)	(4,704)		(4,900)	130
15. Cash flows from operating activities	73,358	34,870	38,488		83,000	(9,642)
16. Cash flows from investing activities	(49,559)	(26,836)	(22,723)		(54,000)	4,441
17. Free cash flows	23,799	8,033	15,766		29,000	(5,201)
18. Cash flows from financing activities	(14,829)	(21,274)	6,445		(16,000)	1,171
19. Return on equity attributable to owners of parent (ROE)	5.4 %	6.8 %	Difference (1.4) %		6.3 %	Difference (0.9) %
20. Return on assets (ROA)	3.2 %	4.0 %	Difference (0.8) %		3.8 %	Difference (0.6) %
21. Return on investment (ROI)	4.5 %	7.2 %	Difference (2.7) %		5.3 %	Difference (0.8) %
22. Ratio of interest-bearing liabilities to equity attributable to owners of parent (D/E ratio)	1.24 times	0.42 times	Difference 0.82 times		1.01 times	Difference 0.23 times
23. Interest-bearing liabilities to cash flow ratio	6.53 times	5.00 times	Difference 1.53 times		5.04 times	Difference 1.49 times

Notes: 1. Gross sales are calculated by converting sales from purchase recorded at the time of sale (*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.

1-2. Consolidated business performance (forecast for next period)

Note: The forecasts have been calculated taking into account the impact due to the spread of the novel coronavirus (COVID-19) based on information available to the Company as of March 31, 2020. Mainly, the Company expects a fall in the number of customers visiting stores in the Department Store Business and PARCO Business, and the future impact was estimated on the assumption that the adverse effect would last for the first six months or for full fiscal year concentrated on the first quarter. However, depending on the actual timing when this pandemic is resolved, the current forecasts may change considerably.

(Millions of yen)

Item	Forecast for next period (fiscal year ending February 28, 2021)				Results for current period (fiscal year ended February 29, 2020)
	Six months ending August 31, 2020	YoY	Full year ending February 28, 2021	YoY	
1. Gross sales	437,500	(108,341)	1,010,000	(123,654)	1,133,654
2. Revenue	182,000	(43,664)	411,000	(69,621)	480,621
3. Gross profit	82,800	(21,859)	183,600	(23,353)	206,953
4. Gross margin	45.49 %	Difference (0.89) %	44.67 %	Difference 1.61 %	43.06 %
5. SGA	80,300	(615)	166,600	5,010	161,590
6. Business profit	2,500	(21,243)	17,000	(28,363)	45,363
7. Operating profit	0	(25,175)	12,000	(28,286)	40,286
8. Profit before tax	(1,500)	(25,460)	8,700	(28,461)	37,161
9. Profit attributable to owners of parent	(1,000)	(15,367)	5,000	(16,251)	21,251
10. Total assets	1,260,000	19,692	1,240,000	(308)	1,240,308
[Of which: right-of-use assets]	[192,400]	[(10,116)]	[183,800]	[(18,716)]	[202,516]
11. Equity attributable to owners of parent	381,500	(5,688)	386,500	(688)	387,188
12. Ratio of equity attributable to owners of parent to total assets	30.3 %	Difference (0.9) %	31.2 %	Difference 0.0 %	31.2 %
13. Total interest-bearing liabilities	499,500	20,727	477,500	(1,273)	478,773
[Of which: lease liabilities]	[213,000]	[(7,497)]	[204,000]	[(16,497)]	[220,497]
14. Financial balance	(2,400)	(198)	(4,900)	(130)	(4,770)
15. Cash flows from operating activities	25,000	(17,770)	58,000	(15,358)	73,358
16. Cash flows from investing activities	(19,000)	(13,711)	(38,000)	11,559	(49,559)
17. Free cash flows	6,000	(31,481)	20,000	(3,799)	23,799
18. Cash flows from financing activities	2,000	4,122	(26,000)	(11,171)	(14,829)
19. Return on equity attributable to owners of parent (ROE)			1.3 %	Difference (4.1) %	5.4 %
20. Return on assets (ROA)			1.0 %	Difference (2.2) %	3.2 %
21. Return on investment (ROI)			1.0 %	Difference (3.5) %	4.5 %
22. Ratio of interest-bearing liabilities to equity attributable to owners of parent (D/E ratio)			1.24 times	Difference 0.00 times	1.24 times
23. Interest-bearing liabilities to cash flow ratio			8.23 times	Difference 1.70 times	6.53 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. YoY changes for six months ending August 31, 2020 in Items 10, 11, 12 and 13 are comparisons with the previous year-end.

5. With regard to interest-bearing liabilities forecast for the next period, considering the impact of the spread of COVID-19, we expect we will keep funds on hand at a higher level than usual.

2. Segment information (results and forecast for next period)

<Results>

Full year results (fiscal year ended February 29, 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	715,039	311,107	17,832	12,187	1,056,167	132,645	1,188,813	(55,159)	1,133,654
YoY % change	(3.8)	11.5	4.0	2.4	0.5	9.6	1.4	—	0.8
(1) Revenue to external customers	263,388	111,614	16,644	6,872	398,519	82,101	480,621	—	480,621
(2) Intersegment revenue	360	598	1,148	3,846	5,954	41,173	47,128	(47,128)	—
Total revenue	263,748	112,212	17,793	10,719	404,474	123,275	527,749	(47,128)	480,621
YoY % change	(4.2)	24.7	4.7	1.4	2.9	18.2	6.1	—	4.5
Business profit	26,461	8,582	4,364	1,901	41,310	4,926	46,236	(873)	45,363
YoY % change	5.2	(1.6)	(13.8)	(18.7)	0.1	36.7	3.0	—	(0.3)
Segment profit	17,625	10,823	6,725	1,908	37,082	4,700	41,783	(1,496)	40,286
YoY % change	(27.2)	98.7	44.2	(19.1)	1.1	34.0	4.0	—	(1.5)

<Forecast for next period>

Six months ending 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	268,500	123,100	8,600	6,000	406,200	55,000	461,200	(23,700)	437,500
YoY % change	(24.3)	(12.9)	(3.1)	1.8	(20.4)	(8.0)	(19.1)	—	(19.8)
(1) Revenue to external customers	99,850	40,050	8,120	3,260	151,280	30,720	182,000	—	182,000
(2) Intersegment revenue	150	250	480	1,990	2,870	16,980	19,850	(19,850)	—
Total revenue	100,000	40,300	8,600	5,250	154,150	47,700	201,850	(19,850)	182,000
YoY % change	(24.2)	(7.8)	(2.5)	1.0	(18.7)	(15.1)	(17.9)	—	(19.3)
Business profit	(3,500)	2,700	2,400	230	1,830	900	2,730	(230)	2,500
YoY % change	—	(49.8)	(28.8)	(78.3)	(91.6)	(57.0)	(88.6)	—	(89.5)
Segment profit	(4,700)	2,400	2,200	230	130	900	1,030	(1,030)	0
YoY % change	—	(59.1)	(61.6)	(78.9)	(99.4)	(55.2)	(95.9)	—	—

Full year forecast (fiscal 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	621,000	285,700	20,000	13,900	940,600	118,000	1,058,600	(48,600)	1,010,000
YoY % change	(13.2)	(8.2)	12.2	14.0	(10.9)	(11.0)	(11.0)	—	(10.9)
(1) Revenue to external customers	228,500	89,330	17,600	7,790	343,220	67,780	411,000	—	411,000
(2) Intersegment revenue	300	570	2,400	4,260	7,530	33,920	41,450	(41,450)	—
Total revenue	228,800	89,900	20,000	12,050	350,750	101,700	452,450	(41,450)	411,000
YoY % change	(13.3)	(19.9)	12.4	12.4	(13.3)	(17.5)	(14.3)	—	(14.5)
Business profit	4,500	6,600	2,900	1,700	15,700	2,650	18,350	(1,350)	17,000
YoY % change	(83.0)	(23.1)	(33.6)	(10.6)	(62.0)	(46.2)	(60.3)	—	(62.5)
Segment profit	2,300	6,000	2,500	1,700	12,500	2,580	15,080	(3,080)	12,000
YoY % change	(87.0)	(44.6)	(62.8)	(10.9)	(66.3)	(45.0)	(63.9)	—	(70.2)

3-1. Performance by consolidated company (results)

(Millions of yen, %)

Company name	Results for current period (fiscal year ended February 29, 2020)				Capital	Ownership percentage	Business
	Revenue	Business profit	Operating profit	Profit			
1. J. Front Retailing Co., Ltd.	34,116	28,886	28,020	27,947	31,974		
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	253,886	29,367	24,555	15,578	10,000	100.0	Department store Real estate
3. The Hakata Daimaru, Inc.	18,638	1,531	1,377	797	3,037	69.9	Department store
4. The Shimonoseki Daimaru, Inc.	4,327	(162)	(1,249)	(1,783)	480	100.0	Department store
5. Kochi Daimaru Co., Ltd.	4,547	85	(335)	(439)	300	100.0	Department store
6. Parco Co., Ltd.	79,935	8,150	11,218	6,348	34,367	96.4	Shopping complex
7. Parco (Singapore) Pte Ltd	50	(41)	(27)	(25)	SGD 4M	96.4	Shopping complex
8. Neuve A Co., Ltd.	17,969	(220)	(1,140)	(1,710)	490	96.4	Specialty store
9. Parco Space Systems Co., Ltd.	21,537	770	761	520	490	96.4	Space engineering & management
10. Parco Digital Marketing Co., Ltd.	1,129	105	99	63	10	96.4	Internet-related business
11. Japan Retail Advisors Co., Ltd.	—	(0)	(0)	(0)	10	96.4	Real estate management Consulting
12. JFR Card Co., Ltd.	10,719	1,901	1,908	1,113	100	100.0	Credit and finance
13. Daimaru Kogyo, Ltd.	29,407	846	887	635	1,800	100.0	Wholesale
14. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	3,930	46	52	41	USD 2M	100.0	Wholesale
15. Daimaru Kogyo (Thailand) Co., Ltd.	372	8	9	11	THB 202M	99.9	Wholesale
16. Taiwan Daimaru Kogyo, Ltd.	467	12	10	11	NTD 60M	100.0	Wholesale
17. J. Front Design & Construction Co., Ltd.	44,819	2,570	2,536	1,595	100	100.0	Design & construction Manufacture & sale of furniture
18. Dimples' Co., Ltd.	13,626	462	438	269	90	100.0	Staffing service
19. J. Front Foods Co., Ltd.	2,377	13	(141)	(165)	100	100.0	Restaurant
20. Consumer Product End-Use Research Institute Co., Ltd.	1,069	127	122	78	100	100.0	Merchandise test Quality control
21. Angel Park Co., Ltd.	1,124	588	588	425	400	50.2	Parking
22. JFR Service Co. Ltd.	8,646	97	74	51	100	100.0	Commissioned back-office service Leasing Parking management
23. JFR Information Center Co., Ltd.	7,587	542	545	352	10	100.0	Information service
24. Daimaru Matsuzakaya Sales Associates Co. Ltd.	9,431	40	41	12	90	100.0	Commissioned sales & store operations
25. Daimaru Matsuzakaya Tomonokai Co., Ltd.	120	(467)	(501)	80	100	100.0	Specified prepaid transaction service

3-2. Performance by consolidated company (forecast for next period)

(Millions of yen)

Company name	Forecast for next period (fiscal year ending February 28, 2021)							
	Six months ending August 31, 2020				Full year ending February 28, 2021			
	Revenue	Business profit	Operating profit	Profit	Revenue	Business profit	Operating profit	Profit
1. J. Front Retailing Co., Ltd.	9,400	6,600	6,400	6,400	17,800	11,900	11,700	11,500
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	99,100	(600)	(1,900)	(1,900)	227,000	7,100	4,700	1,800
3. The Hakata Daimaru, Inc.	7,600	(400)	(500)	(400)	17,500	400	200	0
4. Kochi Daimaru Co., Ltd.	1,900	(100)	(100)	(100)	4,100	(100)	(100)	(100)
5. Parco Co., Ltd.	27,166	3,018	2,756	1,207	59,826	6,160	5,550	2,081
6. Parco (Singapore) Pte Ltd	45	1	1	2	107	7	7	9
7. Neuve A Co., Ltd.	7,922	(260)	(294)	(301)	16,951	(123)	(188)	(201)
8. Parco Space Systems Co., Ltd.	9,090	11	13	13	21,504	706	710	462
9. Parco Digital Marketing Co., Ltd.	485	(8)	4	3	1,024	35	48	33
10. Japan Retail Advisors Co., Ltd.	—	(17)	(17)	(17)	—	(50)	(50)	(51)
11. JFR Card Co., Ltd.	5,250	230	230	96	12,050	1,700	1,700	938
12. Daimaru Kogyo, Ltd.	12,948	5	5	(1)	29,253	515	485	325
13. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	2,120	42	42	31	6,826	108	108	81
14. Daimaru Kogyo (Thailand) Co., Ltd.	292	3	3	6	626	7	7	10
15. Taiwan Daimaru Kogyo, Ltd.	124	0	0	0	196	0	0	0
16. J. Front Design & Construction Co., Ltd.	14,600	460	460	294	30,500	1,250	1,250	798
17. Dimples' Co., Ltd.	5,550	170	170	110	12,050	360	360	231
18. J. Front Foods Co., Ltd.	1,120	0	0	(0)	2,250	10	10	8
19. Consumer Product End-Use Research Institute Co., Ltd.	510	20	20	12	1,080	70	70	40
20. Angel Park Co., Ltd.	540	290	290	210	1,100	550	550	395
21. JFR Service Co. Ltd.	4,368	6	6	8	8,506	12	12	14
22. JFR Information Center Co., Ltd.	3,700	175	175	120	6,770	270	271	173
23. Daimaru Matsuzakaya Sales Associates Co. Ltd.	4,439	7	7	4	8,738	22	22	9
24. Daimaru Matsuzakaya Tomonokai Co., Ltd.	45	(256)	(273)	38	86	(516)	(550)	53

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

4. Consolidated capital expenditures (results and plan for next period)

(Millions of yen)

Component	Results for current period (fiscal year ended February 29, 2020)	Plan for next period (fiscal year ending February 28, 2021)	Remarks
Daimaru Matsuzakaya Department Stores	24,025	20,700	Rebuilding of main building of Shinsaibashi store, sales floor renovation and others Shop development around department stores and others Sales floor renovation and others " " " " Redevelopment of Shibuya PARCO and others
[Department Store Business]	[21,195]	[11,000]	
[Real Estate Business]	[2,829]	[9,700]	
Hakata Daimaru	1,651	1,490	
Shimonoseki Daimaru	403	—	
Kochi Daimaru	166	160	
Parco	10,636	13,500	
Other	1,663	2,650	
Intercompany eliminations	(632)	(600)	
Total consolidated	37,912	37,900	
Right-of-use assets	10,723	10,800	Mainly Daimaru Matsuzakaya Department Stores and Parco
Total investment	48,636	48,700	

Note: Considering the impact of the spread of COVID-19, we are revising our forecast for the next period.

5. Components of SGA (results and forecast for next period)

(Millions of yen, %)

Component	Results for current period (fiscal year ended February 29, 2020)			Forecast for next period (fiscal year ending February 28, 2021)		
	Amount	YoY	Ratio to sales	Amount	YoY	Ratio to sales
Personnel expenses	56,880	(9.3)	11.8	59,800	5.1	14.5
Advertising expenses	11,729	13.2	2.4	11,100	(5.4)	2.7
Packaging and delivery expenses	3,664	(4.5)	0.8	3,300	(9.9)	0.8
Rent expenses	2,389	(89.8)	0.5	2,030	(15.0)	0.5
[Of which: decrease related to the impact of IFRS 16]	[(20,844)]	[—]	[—]	[(19,900)]	[4.5]	[—]
Depreciation	30,601	164.2	6.4	31,500	2.9	7.7
[Of which: increase related to the impact of IFRS 16]	[17,567]	[—]	[—]	[17,000]	[(3.2)]	[—]
Operational costs	9,296	12.1	1.9	10,200	9.7	2.5
Other	47,029	0.7	9.8	48,670	3.5	11.8
Total	161,590	(3.2)	33.6	166,600	3.1	40.5
[Of which: impact of IFRS 16]	[(3,276)]	[—]	[—]	[(2,900)]	[11.5]	[—]

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

Results for current period: 20,103 million yen / Forecast for next period: 20,700 million yen

6. Components of other operating income and other operating expenses (results and forecast for next period)

(Millions of yen)

Component	Results for current period (fiscal year ended February 29, 2020)	Forecast for next period (fiscal year ending February 28, 2021)	Remarks
Other operating income	8,663	800	
Gain on sale of fixed assets	2,832	—	Mainly Daimaru Matsuzakaya Department Stores (poorly performing rental real estate)
Compensation income	3,649	—	Mainly redevelopment of Shibuya PARCO
Other	2,181	800	
Other operating expenses	13,740	5,800	
Loss on disposal of fixed assets	3,576	2,600	Mainly Daimaru Matsuzakaya Department Stores
Impairment losses	1,745	—	Mainly Neuve A
Business restructuring expenses	2,173	—	Daimaru Matsuzakaya Department Stores (Expansion of voluntary early retirement program)
Expenses related to revitalization plan	1,075	—	Shimonoseki Daimaru
Loss on liquidation business	870	—	Mainly Daimaru Matsuzakaya Department Stores
Other	4,298	3,200	Mainly Daimaru Matsuzakaya Department Stores (Mainly contribution for Shinsaibashi station public facilities, etc.)

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

(Millions of yen, %)

Component	Results for current period (fiscal year ended February 29, 2020)		Forecast for next period (fiscal year ending February 28, 2021)	
		YoY		YoY
Finance income	1,091	(1.1)	900	(17.6)
Interest and dividend income	1,091	(1.1)	900	(17.6)
Finance costs	5,862	400.7	5,800	(1.1)
Interest expenses on borrowings and bonds	5,652	460.7	5,600	(0.9)
[Of which: increase related to the impact of IFRS 16]	[4,086]	[—]	[3,700]	[(9.5)]
Other	209	28.6	200	(4.4)
Share of profit (loss) of investments accounted for using equity method	1,644	26.3	1,600	(2.7)

8. Main changes in consolidated statements of financial position

(Millions of yen)

Item	End of current period (Feb 29, 2020)	End of previous period (Feb 28, 2021)	Change	Remarks
Current assets				
Cash and cash equivalents	34,633	25,659	8,974	
Inventories	19,169	38,349	(19,180)	Mainly Parco
Non-current assets				
Construction in progress	835	70,433	(69,598)	
Right-on-use assets	179,632	—	179,632	Mainly Daimaru Matsuzakaya Department Stores and Parco (initial application of IFRS 16)
Investment property	219,354	197,162	22,192	Mainly Daimaru Matsuzakaya Department Stores and Parco (initial application of IFRS 16)
Investments accounted for using equity method	37,439	17,616	19,823	Mainly partial acquisition of preferred equity investment in Ginza 6-chome Kaihatsu Tokutei Mokuteki Kaisha
Current liabilities				
Short-term lease liabilities	29,493	—	29,493	Mainly Daimaru Matsuzakaya Department Stores and Parco (initial application of IFRS 16)
Current portion of bonds	10,000	—	10,000	
Non-current liabilities				
Long-term borrowings	80,110	93,210	(13,100)	
Bonds payable	69,766	49,848	19,918	
Long-term lease liabilities	191,003	—	191,003	Mainly Daimaru Matsuzakaya Department Stores and Parco (initial application of IFRS 16)

9. Number of employees of consolidated companies (results and forecast for next period)

(Persons)

Component	Results for current period (fiscal year ended February 29, 2020)				Forecast for next period (fiscal year ending February 28, 2021)			
	Regular	Dedicated	Fixed-term	Total	Regular	Dedicated	Fixed-term	Total
J. Front Retailing	147	—	17	164	147	—	19	166
Department Store Business	2,226	200	326	2,752	2,210	202	309	2,721
[Of which: Daimaru Matsuzakaya Department Stores]	[1,798]	[125]	[219]	[2,142]	[1,847]	[134]	[240]	[2,221]
Parco Business	1,613	—	528	2,141	1,608	—	540	2,148
Real Estate Business	49	2	6	57	47	2	6	55
Credit and Finance Business	172	28	20	220	189	30	19	238
Other	2,372	1,509	629	4,510	2,376	1,530	624	4,530
Total	6,579	1,739	1,526	9,844	6,577	1,764	1,517	9,858

Note: Since Daimaru Matsuzakaya Department Stores merged with and absorbed Shimonoseki Daimaru as of March 1, 2020, the forecast number of employees of Daimaru Matsuzakaya Department Stores for the next period (fiscal year ending February 28, 2021) includes the number of employees of the Daimaru Shimonoseki store.

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

1-1. Business performance (comparison with previous year and forecast released in October 2019)

(Millions of yen,%)

Item	Results for current period (fiscal year ended February 29, 2020)	Results for previous period (fiscal year ended February 28, 2019)	YoY		Forecast released in October 2019	Vs. forecast
			Amount	%		
1. Gross sales	656,152	680,428	(24,276)	(3.6)	675,500	(19,348)
[Of which: real estate rental income]	[24,217]	[20,894]	[3,323]	[15.9]	[24,100]	[117]
2. Revenue	253,886	262,984	(9,098)	(3.5)	260,000	(6,114)
3. Gross profit	145,910	151,624	(5,714)	(3.8)	149,500	(3,590)
4. Gross margin	57.47 %	57.66 %	Difference (0.19) %		57.50 %	Difference (0.03) %
5. SGA	116,543	123,774	(7,231)	(5.8)	118,500	(1,957)
6. Business profit	29,367	27,849	1,518	5.4	31,000	(1,633)
[Impact of the adoption of IFRS 16]	[2,955]	[—]	[2,955]	[—]	[2,696]	[259]
7. Operating profit	24,555	26,529	(1,974)	(7.4)	28,500	(3,945)
8. Profit before tax	22,389	26,872	(4,483)	(16.7)	26,300	(3,911)
9. Profit	15,578	18,579	(3,001)	(16.2)	18,200	(2,622)
10. Total assets	617,341	500,122	117,219		608,000	9,341
[Of which: right-on-use assets]	[105,113]	[—]	[105,113]		[102,500]	[2,613]
11. Equity	193,161	197,551	(4,390)		198,000	(4,839)
12. Equity ratio	31.3 %	39.5 %	Difference (8.2) %		32.6 %	Difference (1.3) %
13. Total interest-bearing liabilities	208,202	64,404	143,798		181,500	26,702
[Of which: lease liabilities]	[113,874]	[—]	[113,874]		[112,766]	[1,108]
14. Financial balance	(2,165)	343	(2,508)		(2,200)	35
15. Cash flows from operating activities	34,006	32,692	1,314		47,300	(13,294)
16. Cash flows from investing activities	(36,576)	(18,175)	(18,401)		(24,300)	(12,276)
17. Cash flows from financing activities	2,906	(14,483)	17,389		(23,000)	25,906
18. Return on equity (ROE)	8.2 %	9.6 %	Difference (1.4) %		9.4 %	Difference (1.2) %
19. Return on assets (ROA)	4.0 %	5.3 %	Difference (1.3) %		4.7 %	Difference (0.7) %
20. Return on investment (ROI)	5.7 %	10.4 %	Difference (4.7) %		6.9 %	Difference (1.2) %

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.

Reference

(Millions of yen)

Item	Results for current period (fiscal year ended February 29, 2020)		Results for previous period (fiscal year ended February 28, 2019)				Forecast released in October 2019			
	Department Store Business	Real Estate Business	Department Store Business		Real Estate Business		Department Store Business		Real Estate Business	
			Amount	YoY	Amount	YoY	Amount	YoY	Amount	YoY
1. Gross sales	638,569	17,832	663,523	(24,954)	17,148	684	657,800	(19,231)	18,000	(168)
[Of which: real estate rental income]	[6,768]	[17,699]	[4,232]	[2,536]	[16,905]	[794]	[6,500]	[268]	[17,800]	[101]
2. Revenue	236,341	17,793	246,233	(9,892)	16,995	798	242,400	(6,059)	17,900	(107)
3. Gross profit	138,790	7,368	144,448	(5,658)	7,419	(51)	141,900	(3,110)	7,900	(532)
4. Gross margin	58.72 %	41.41 %	58.66 %	Difference 0.06 %	43.66 %	Difference (2.25) %	58.54 %	Difference 0.18 %	44.13 %	Difference (2.72) %
5. SGA	113,785	3,004	121,660	(7,875)	2,357	647	115,500	(1,715)	3,300	(296)
6. Business profit	25,005	4,364	22,787	2,218	5,062	(698)	26,400	(1,395)	4,600	(236)
[Impact of the adoption of IFRS 16]	[2,819]	[138]	[—]	[2,819]	[—]	[138]	[2,603]	[216]	[93]	[45]
7. Operating profit	17,831	6,725	21,864	(4,033)	4,664	2,061	21,500	(3,669)	7,000	(275)
8. Profit before tax	17,059	5,330	23,356	(6,297)	3,516	1,814	20,700	(3,641)	5,600	(270)

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 (forecast for next period)

(Millions of yen)

Item	Forecast for next period (fiscal year ending February 28, 2021)				Results for current period (fiscal year ended February 29, 2020)
	Six months ending August 31, 2020	YoY	Full year ending February 28, 2021	YoY	
1. Gross sales	253,200	(72,169)	583,800	(72,352)	656,152
[Of which: real estate rental income]	[13,000]	[2,105]	[29,000]	[4,783]	[24,217]
2. Revenue	99,100	(27,659)	227,000	(26,886)	253,886
3. Gross profit	57,100	(16,723)	127,600	(18,310)	145,910
4. Gross margin	57.62 %	Difference (0.62) %	56.21 %	Difference (1.26) %	57.47 %
5. SGA	57,700	(1,592)	120,500	3,957	116,543
6. Business profit	(600)	(15,130)	7,100	(22,267)	29,367
7. Operating profit	(1,900)	(18,485)	4,700	(19,855)	24,555
8. Profit before tax	(2,700)	(18,504)	2,700	(19,689)	22,389
9. Profit	(1,900)	(12,867)	1,800	(13,778)	15,578
10. Total assets	622,000	4,659	612,000	(5,341)	617,341
[Of which: right-of-use assets]	[103,750]	[(1,363)]	[95,630]	[(9,483)]	[105,113]
11. Equity	186,600	(6,561)	185,400	(7,761)	193,161
12. Equity ratio	30.0 %	Difference (1.3) %	30.3 %	Difference (1.0) %	31.3 %
13. Total interest-bearing liabilities	221,400	13,198	215,500	7,298	208,202
[Of which: lease liabilities]	[111,000]	[(2,874)]	[102,500]	[(11,374)]	[113,874]
14. Financial balance	(800)	(19)	(2,000)	165	(2,165)
15. Cash flows from operating activities	10,600	(11,853)	30,800	(3,206)	34,006
16. Cash flows from investing activities	(13,600)	(6,137)	(20,800)	15,776	(36,576)
17. Cash flows from financing activities	3,100	17,461	(10,000)	(12,906)	2,906
18. Return on equity (ROE)			1.0 %	Difference (7.2) %	8.2 %
19. Return on assets (ROA)			0.8 %	Difference (3.2) %	4.0 %
20. Return on investment (ROI)			0.7 %	Difference (5.0) %	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. YoY changes for six months ending August 31, 2020 in Items 10, 11, 12 and 13 are comparisons with the previous year-end.

Reference

(Millions of yen)

Item	Six months ending August 31, 2020				Full year ending February 28, 2021				Results for current period (fiscal year ended February 29, 2020)	
	Department Store Business		Real Estate Business		Department Store Business		Real Estate Business		Department Store Business	Real Estate Business
	Amount	YoY	Amount	YoY	Amount	YoY	Amount	YoY		
1. Gross sales	244,700	(71,922)	8,600	(273)	564,000	(74,569)	20,000	2,168	638,569	17,832
[Of which: real estate rental income]	[4,500]	[2,241]	[8,600]	[(161)]	[9,200]	[2,432]	[20,000]	[2,301]	[6,768]	[17,699]
2. Revenue	90,600	(27,464)	8,600	(220)	207,200	(29,141)	20,000	2,207	236,341	17,793
3. Gross profit	53,000	(16,272)	4,200	(476)	121,900	(16,890)	5,900	(1,468)	138,790	7,368
4. Gross margin	58.50 %	Difference (0.17) %	48.84 %	Difference (4.18) %	58.83 %	Difference 0.11 %	29.50 %	Difference (11.91) %	58.72 %	41.41 %
5. SGA	56,000	(2,112)	1,800	496	117,700	3,915	3,000	(4)	113,785	3,004
6. Business profit	(3,000)	(14,159)	2,400	(971)	4,200	(20,805)	2,900	(1,464)	25,005	4,364
7. Operating profit	(4,100)	(14,957)	2,200	(3,529)	2,200	(15,631)	2,500	(4,225)	17,831	6,725
8. Profit before tax	(4,600)	(15,351)	1,900	(3,153)	800	(16,259)	1,900	(3,430)	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.

2. Summary of gross sales (Department Store)

(1) Sales by store

(Millions of yen, %)

Store	Period	Results for current period (fiscal year ended February 29, 2020)		Forecast for next period (fiscal year ending February 28, 2021)			
		Amount	YoY	Six months ending August 31, 2020		Full year ending February 28, 2021	
				Amount	YoY	Amount	YoY
Daimaru Osaka Shinsaibashi		85,340	(2.7)	22,320	(50.4)	58,940	(30.9)
Osaka Umeda		64,337	(2.6)	23,590	(25.7)	55,270	(14.1)
Tokyo		79,185	(2.6)	29,460	(26.1)	68,510	(13.5)
Kyoto		66,859	(2.7)[(2.1)]	26,770	(18.3)	60,430	(9.6)
Yamashina		413	(88.6)	—	—	—	—
Kobe		74,453	(5.0)[(3.5)]	29,860	(17.1)	67,680	(9.1)
Suma		7,991	(4.9)	3,590	(8.9)	7,540	(5.6)
Ashiya		4,409	(33.2)	1,860	(21.2)	3,870	(12.2)
Sapporo		65,486	(2.1)	23,720	(24.6)	56,480	(13.8)
Shimonoseki		—	—	5,080	—	10,540	—
Matsuzakaya Nagoya		116,317	(2.4)[(1.6)]	47,180	(16.3)	106,670	(8.3)
Ueno		39,122	(2.1)	16,920	(13.4)	36,510	(6.7)
Shizuoka		19,840	(6.2)	8,230	(15.9)	18,100	(8.8)
Takatsuki		7,904	(5.8)	3,290	(17.6)	7,060	(10.7)
Toyota		6,908	(3.2)	2,830	(14.5)	6,400	(7.4)
Total		638,569	(3.8)[(3.4)]	244,700	(22.7)	564,000	(11.7)
Excluding Yamashina		638,156	(3.3)[(2.9)]	—	—	—	—
Excluding Shinsaibashi and Yamashina		552,816	(3.4)[(2.9)]	—	—	—	—
Excluding Shimonoseki and Yamashina		—	—	239,620	(24.2)	553,460	(13.3)
Excluding Shinsaibashi, Shimonoseki and Yamashina		—	—	217,300	(19.9)	494,520	(10.5)

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

2. The sales floor area of the Daimaru Ashiya store has decreased since March 18, 2019.

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

4. The tenants around the Daimaru Kobe and Kyoto stores are being transferred to the Real Estate Business beginning in March 2018 and June 2019, respectively. Figures in square brackets in the Daimaru Kobe and Kyoto stores are actual percentage changes excluding year-ago actual sales of the tenants after transferring to the Real Estate Business.

5. The 2nd floor of the south wing of the Matsuzakaya Nagoya store has been changed to be operated under lease since March 20, 2019. Figures in square brackets in the Matsuzakaya Nagoya store are actual percentage changes after deducting this year and last year actual sales of the 2nd floor of the south wing.

6. 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.

7. Figures in square brackets in Total, Excluding Yamashina and Excluding Shinsaibashi and Yamashina are actual percentage changes including changes shown in Notes 4 and 5 above.

Reference: Total of product sales and tenant transaction volume of Shinsaibashi store

(Millions of yen, %)

Store	Period	Six months ended February 29, 2020	
		Amount	YoY
Daimaru Osaka Shinsaibashi		50,268	7.4

Note: The amounts shown above are 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.

(2) YoY change in monthly sales

(%)

Month	Mar 2019	Apr	May	Jun	Jul	Aug	Total 1H
Total all stores	0.3	0.0	0.3	(0.8)	(4.4)	(1.5)	(1.1)
Excluding Shinsaibashi and Yamashina	(1.4)	(0.8)	(0.5)	(0.5)	(4.7)	(1.5)	(1.7)

Month	Sep	Oct	Nov	Dec	Jan 2020	Feb	Total 2H	Full year
Total all stores	31.4	(19.8)	(9.3)	(6.6)	(5.6)	(22.5)	(6.2)	(3.8)
Excluding Shinsaibashi and Yamashina	29.8	(19.3)	(8.1)	(4.8)	(5.3)	(18.1)	(5.0)	(3.4)

(3) Sales classification

(i) Share of cash/credit sales

(Millions of yen, %)

Category	Amount	YoY	Share
Cash sales	487,281	(4.0)	76.3
Credit sales	151,288	(3.0)	23.7
Total	638,569	(3.8)	100.0

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

(%)

Category	Current period	Previous period	Sales YoY change
Corporate	10.1	11.4	(14.1)
Individual	89.9	88.6	(1.6)
Total	100.0	100.0	(3.0)

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

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

Category	Number of cards issued	Number of active cardholders	Sales	YoY	% of total sales to individual customers
Otokuisama Gold Card	327	255	135,741	0.1	21.6
Daimaru Matsuzakaya Card <Gold>	117	88	21,686	(9.5)	3.5
Daimaru Matsuzakaya Card	1,423	1,117	131,757	(14.2)	21.0
Total	1,868	1,460	289,185	(7.7)	46.1
Point card for cash purchases	1,748	1,369	63,920	(6.7)	10.2
Other	400	268	22,958	(29.6)	3.7
Total	4,017	2,887	367,377	(5.4)	58.5

Notes: 1. "Point card for cash purchases" includes Daimaru Matsuzakaya Point Card, Daimaru D Card, Matsuzakaya M Card and Ufufu Girls "Other" includes the cards of membership organizations such as Tomonokai and Bridal Circle.

2. Total number of active cardholders and total sales differ from 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 by merchandise category and gross margin ratio

(Millions of yen, %)

Merchandise category	Sales	YoY % change	Share	Share LY	Gross margin ratio	YoY RD
Clothing	256,506	(6.1)	40.2	41.2	24.67	(0.51)
Accessories	42,157	(8.2)	6.6	6.9	28.16	(0.29)
General goods	132,983	5.3	20.8	19.0	25.49	(0.15)
Household goods	23,553	(9.4)	3.7	3.9	24.67	(0.36)
Foods	140,630	(6.1)	22.0	22.6	16.04	0.00
Other	42,738	1.2	6.7	6.4	19.69	2.25
Total	638,569	(3.8)	100.0	100.0	22.84	(0.09)

Note: Merchandise classification has been partially changed beginning in the current period and this change has been applied retrospectively to the year-ago results.

Sales by merchandise category (Excluding Shinsaibashi and Yamashina stores)

(Millions of yen, %)

Merchandise category	Sales	YoY % change	Share
Clothing	219,373	(5.5)	39.7
Accessories	39,797	(7.3)	7.2
General goods	98,264	1.2	17.8
Household goods	21,324	(6.0)	3.8
Foods	135,379	(2.2)	24.5
Other	38,677	(0.4)	7.0
Total	552,816	(3.4)	100.0

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

		Number of business days		Change	Total number of customers	YoY
		Current period	Previous period			
		Days	Days	Days	Thousand persons	%
Daimaru	Osaka Shinsaibashi	365	361	4	19,010	3.8
	Osaka Umeda	365	361	4	35,268	(2.8)
	Tokyo	364	364	0	37,868	(3.6)
	Kyoto	365	362	3	14,743	(0.3)
	Yamashina	31	362	(331)	224	(89.9)
	Kobe	364	362	2	11,040	(1.4)
	Suma	364	362	2	6,339	0.4
	Ashiya	351	362	(11)	2,909	(52.2)
	Sapporo	365	362	3	22,090	(0.9)
Matsuzakaya	Nagoya	364	364	0	19,608	1.9
	Ueno	364	364	0	9,588	(2.3)
	Shizuoka	364	364	0	7,157	(0.8)
	Takatsuki	365	360	5	5,776	(0.4)
	Toyota	363	363	0	3,252	1.2
Total				—	194,879	(3.6)

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

2. The number of business days of the Daimaru Ashiya store decreased compared to the previous period due to renovation work.

(6) Duty-free sales

(Millions of yen, %)

		Amount	YoY	Sales share
Daimaru	Osaka Shinsaibashi	34,027	9.9	39.9
	Osaka Umeda	4,949	(6.4)	7.7
	Tokyo	3,146	(12.5)	4.0
	Kyoto	3,865	(9.4)	5.8
	Kobe	1,839	(12.7)	2.5
	Sapporo	7,443	(7.3)	11.4
Matsuzakaya	Nagoya	3,702	5.7	3.2
	Ueno	991	5.3	2.5
	Shizuoka	174	(9.7)	0.9
Total		60,138	2.1	9.4

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

Reference: Shinsaibashi store duty-free sales percentage of the total of product sales and tenant transaction volume

(Millions of yen, %)

	Six months ended February 28, 2020	YoY	Share of transaction volume
Daimaru Osaka Shinsaibashi	16,991	6.1	33.8

(7) Average spend per customer / conversion rate

	Results for current period	Results for previous period	YoY (%)
Average spend per customer (Yen)	4,979	4,841	2.9
Conversion rate (%)	49.5	51.5	(2.0)

Note:

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

$$\text{Conversion rate} = \frac{\text{Number of receipts issued}}{\text{Number of customers}}$$

3. Components of SGA (results and forecast for next period)

(Millions of yen, %)

Component	Results for current period (fiscal year ended February 29, 2020)			Forecast for next period (fiscal year ending February 28, 2021)		
	Amount	YoY	Ratio to sales	Amount	YoY	Ratio to sales
Personnel expenses	20,426	(20.8)	8.0	24,270	18.8	10.7
Advertising expenses	9,442	15.3	3.7	8,580	(9.1)	3.8
Packaging and delivery expenses	2,837	(6.8)	1.1	2,610	(8.0)	1.1
Rent expenses	488	(97.2)	0.2	640	31.1	0.3
[Of which: decrease related to the impact of IFRS 16]	[(16,342)]	[—]	[—]	[(16,000)]	[(2.1)]	[—]
Depreciation	23,468	156.3	9.2	23,210	(1.1)	10.2
[Of which: increase related to the impact of IFRS 16]	[13,352]	[—]	[—]	[13,100]	[(1.9)]	[—]
Operational costs	11,412	12.3	4.5	11,770	3.1	5.2
Other	48,467	(3.4)	19.2	49,420	2.0	21.8
Total	116,543	(5.8)	45.9	120,500	3.4	53.1
[Of which: impact of IFRS 16]	[(2,990)]	[—]	[—]	[(2,900)]	[(3.0)]	[—]

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

Results for current period:6,447million yen / Forcast for next period:7,547million yen

4. Components of other operating income and other operating expenses

(results and forecast for next period)

(Millions of yen)

Component	Results for current period (fiscal year ended Feb 29, 2020)	Forecast for next period (fiscal year ending Feb 28, 2021)	Remarks
Other operating income	4,130	500	
Gain on sale of fixed assets	2,596	—	Poorly performing rental real estate
Other	1,534	500	
Other operating expenses	8,941	2,900	
Loss on disposal of fixed assets	2,838	1,200	Sales floor renovation, etc.
Impairment losses	781	—	Matsuzakaya Toyota store
Other	5,321	1,700	Business structure improvement expenses, etc.

5. Components of finance income and finance costs

(results and forecast for next period)

(Millions of yen, %)

Component	Results for current period (fiscal year ended Feb 29, 2020)		Forecast for next period (fiscal year ending Feb 28, 2021)	
	Amount	YoY	Amount	YoY
Finance income	1,220	(10.6)	1,100	(9.9)
Interest and dividend income	1,220	(10.6)	1,100	(9.9)
Finance costs	3,386	231.4	3,100	(8.5)
Interest expenses	3,386	231.4	3,100	(8.5)
[Of which: increase related to the impact of IFRS 16]	[2,396]	[—]	[2,100]	[(12.4)]

III. Parco Non-consolidated Statements 【IFRS】

1-1. Business performance (comparison with previous year and forecast released in October 2019)

(Millions of yen, %)

Item	Results for current period (fiscal year ended February 29, 2020)	Results for previous period (fiscal year ended February 28, 2019)	YoY		Forecast released in October 2019	Vs. forecast
			Amount	%		
1. Revenue	79,935	56,288	23,647	42.0	80,350	(415)
2. Gross profit	18,049	17,105	944	5.5		
3. SGA	9,899	9,036	863	9.6		
4. Business profit	8,150	8,068	82	1.0	9,590	(1,440)
<small>[Impact of the adoption of IFRS 16]</small>	[1,446]	[—]	[1,446]	[—]	[—]	[—]
5. Operating profit	11,218	4,792	6,426	134.1	11,890	(672)
6. Profit before tax	9,024	4,646	4,378	94.2		
7. Profit	6,348	3,237	3,111	96.1		
8. Total assets	342,562	271,909	70,653			
<small>[Of which: right-of-use assets]</small>	[87,966]	[—]	[87,966]			
9. Equity	124,745	125,596	(851)			
10. Equity ratio	40.7 %	47.3 %	Difference (6.6) %			

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

1-2. Business performance (forecast for next period)

(Millions of yen)

Item	Forecast for next period (fiscal year ending February 28, 2021)				Results for current period (fiscal year ended February 29, 2020)
	Six months ending August 31, 2020	YoY	Full year ending February 28, 2021	YoY	
1. Tenant transaction volume	111,507	(15,687)	257,102	(1,747)	258,849
2. Revenue	27,166	(1,033)	59,826	(20,109)	79,935
3. Gross profit	8,485	(1,452)	17,705	(344)	18,049
4. SGA	5,467	812	11,545	1,646	9,899
5. Business profit	3,018	(2,264)	6,160	(1,990)	8,150
6. Operating profit	2,756	(3,246)	5,550	(5,668)	11,218
7. Profit before tax	1,749	(3,290)	3,017	(6,007)	9,024
8. Profit	1,207	(2,319)	2,081	(4,267)	6,348

Notes: 1. Business profit is calculated by subtracting cost of sales and SGA from revenue.

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

2. Summary of tenant transaction volume

(1) Tenant transaction volume by store

(Millions of yen, %)

Store	Results for current period (fiscal year ended February 29, 2020)		YoY	Results for current period (fiscal year ended February 29, 2020)	
	Amount	YoY		Amount	YoY
Sapporo PARCO	12,218	(7.4)	Shintokorozawa PARCO	10,071	(0.5)
Sendai PARCO	20,257	0.3	Tsudanuma PARCO	11,994	(0.8)
Urawa PARCO	27,149	4.0	Hibarigaoka PARCO	7,654	8.2
Ikebukuro PARCO	26,688	(5.1)	Matsumoto PARCO	5,264	(12.5)
PARCO_ya Ueno	5,792	0.1	Utsunomiya PARCO	612	(71.0)
Kichijoji PARCO	9,672	0.0	Kumamoto PARCO	3,485	(13.0)
Shibuya PARCO	9,439	567.9	Total community store group	39,083	(5.7)
Kinshicho PARCO	8,975	-	Total urban/community stores	258,849	5.0
Chofu PARCO	18,586	3.3	Total existing stores	241,188	(1.3)
Shizuoka PARCO	9,818	(1.3)	Notes: 1. Tenat transaction volume is the total amount of transactions conducted by tenants at Parco stores. 2. Kinshicho PARCO and the main building of Shibuya PARCO opened on March 16 and November 22, 2019, respectively. Utsunomiya PARCO closed on May 31, 2019. 3. Existing store total does not include sales from Kinshicho PARCO, the main building of Shibuya PARCO and Utsunomiya PARCO.		
Nagoya PARCO	33,888	(1.0)			
Hiroshima PARCO	15,071	(6.6)			
Fukuoka PARCO	22,206	(0.6)			
Total urban store group	219,765	7.1			

(2) YoY change in monthly tenant transaction volume

(%)

Month	Mar 2019	Apr	May	Jun	Jul	Aug
Total all stores	4.8	7.8	6.3	4.8	(1.9)	5.0
Total existing stores	1.4	3.4	2.4	1.7	(4.5)	2.3

Month	Sep	Oct	Nov	Dec	Jan 2020	Feb
Total all stores	8.8	(7.4)	2.9	9.5	7.2	12.3
Total existing stores	6.2	(10.2)	(8.1)	(4.0)	(4.6)	(0.2)

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

(%)

Merchandise category	YoY
Womenswear	(10.1)
Menswear	(10.4)
General clothing	(2.8)
Total clothing	(7.3)
Shoes	(1.1)
Bags	(11.3)
Accessories	(4.8)
Cosmetics	3.3
Total personal items	(0.8)
General goods	0.7
Foods	10.0
Restaurants	5.6
Other	0.8

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

(%)

Category	YoY
Number of paying customers	3.4
Average spend per customer	(4.6)

(5) Credit card sales amount (existing stores)

(Millions of yen, %)

Category	Sales amount	YoY	Share of sales amount
Credit card	109,691	0.2	45.5
Parco card	42,939	(15.5)	17.8

(6) Renovation

Number of sections	316
Renovated area (m ²)	38,000
YoY change in zone sales (%)	107.6

Notes: 1. Renovation does not include Utsunomiya PARCO and Kumamoto PARCO because they did not undergo regular renovations.

2. Zone sales excluding the effects of renovations to add service shops and others whose sales are not recorded in zone sales were up 13.1% YoY.

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

(%)

	YoY	Share	YoY change in share
Sapporo PARCO	(11.3)	13.1	(0.4)
Ikebukuro PARCO	(1.4)	4.1	0.2
Nagoya PARCO	4.0	2.2	0.1
Fukuoka PARCO	(1.2)	3.6	0.0
Total existing stores	(3.4)	2.1	0.0

- Notes: 1. Share is the duty-free sales percentage of total tenant transaction volume of each store.
2. Duty-free tenant transaction volume is the total of purchases via foreign-issued credit cards and Chinese mobile payment.
3. Total existing stores does not include sales from Kinshicho PARCO, the main building of Shibuya PARCO and Utsunomiya PARCO.

3. Components of cost of sales

(Millions of yen, %)

Component	Results for current period (fiscal year ended February 29, 2020)	
	Amount	YoY
Personnel expenses	1,771	(1.2)
Lease/rental	1,185	(87.4)
Advertising expenses	4,829	(2.6)
Agency services	4,624	4.3
Depreciation	13,131	157.5
Utilities	3,736	2.7
Building and repairs	1,621	0.0
Real estate cost of sales	21,702	—
Other	9,283	12.6
Total	61,885	57.9
[Of which: impact of the adoption of IFRS 16]	[1,381]	[—]

4. Components of SGA

(Millions of yen, %)

Component	Results for current period (fiscal year ended February 29, 2020)	
	Amount	YoY
Personnel expenses	4,177	4.5
Lease/rental	156	(76.9)
Advertising expenses	213	(9.6)
Agency services	1,517	36.5
Depreciation	1,242	158.7
Taxes and dues	559	(1.9)
Other	2,032	3.4
Total	9,899	9.6
[Of which: impact of the adoption of IFRS 16]	[64]	[—]

5. Components of other operating income and other operating expenses

(Millions of yen, %)

Component	Results for current period (fiscal year ended February 29, 2020)		Remarks
	Amount	YoY	
Other operating income	4,273	80.4	
Compensation income	2,975	52.5	Mainly redevelopment of Shibuya PARCO
Gain on sale of fixed assets	306	—	
Other	990	137.9	
Other operating expenses	1,205	(78.6)	
Loss on disposal of fixed assets	655	(6.1)	Partial removal/disposal of assets due to in-store renovation and facility replacement at stores
Impairment losses	329	(74.6)	
Other	219	(94.0)	

6. Components of finance income and finance costs

(Millions of yen, %)

Component	Results for current period (fiscal year ended February 29, 2020)	
	Amount	YoY
Finance income	438	8.1
Interest and dividend income	438	8.1
Finance costs	2,632	377.3
Interest expenses	2,632	377.3
[Of which: impact of the adoption of IFRS 16]	[1,621]	[—]