

J. Front Retailing Supplementary Information to Financial Results

I. J. Front Retailing Consolidated Statements 【IFRS】

1. Consolidated business performance

(Millions of yen, %)

| Item | Three months ended May 31, 2020 | YoY | | Three months ended May 31, 2019 |
|--|------------------------------------|----------------------|--------|------------------------------------|
| | | Amount | % | |
| 1. Gross sales | 113,438 | (160,564) | (58.6) | 274,002 |
| 2. Revenue | 63,459 | (49,023) | (43.6) | 112,482 |
| 3. Gross profit | 21,272 | (30,895) | (59.2) | 52,167 |
| 4. Gross margin | 33.52 % | Difference (12.86) % | | 46.38 % |
| 5. Selling, general and administrative expenses (SGA) | 25,152 | (14,539) | (36.6) | 39,691 |
| 6. Business profit | (3,879) | (16,355) | — | 12,476 |
| 7. Operating profit | (27,103) | (39,897) | — | 12,794 |
| 8. Profit before tax | (28,492) | (40,642) | — | 12,150 |
| 9. Profit attributable to owners of parent | (20,334) | (27,781) | — | 7,447 |
| 10. Total assets | 1,281,163 | 40,855 | | 1,240,308 |
| [Of which: right-of-use assets] | [194,189] | [(8,327)] | | [202,516] |
| 11. Equity attributable to owners of parent | 362,262 | (24,926) | | 387,188 |
| 12. Ratio of equity attributable to owners of parent to total assets | 28.3 % | Difference (2.9) % | | 31.2 % |
| 13. Interest-bearing debt | 602,093 | 123,320 | | 478,773 |
| [Of which: lease liabilities] | [215,609] | [(4,888)] | | [220,497] |

- Notes:
1. Gross sales are calculated by converting sales from purchase recorded at the time of sale (*shoka shire*) of the "Department Store Business" and "Other (Daimaru Kogyo)," which are recognized as revenue under IFRS, into gross amount and converting the net amount of sales of the "Parco Business" into tenant transaction volume (gross amount basis).
 2. Business profit is calculated by subtracting cost of sales and SGA from revenue.
 3. Results for the previous year in Items 10, 11, 12 and 13 are figures at the end of the previous consolidated fiscal year ended February 29, 2020.

2. Segment information

Three months ended May 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 | 62,180 | 29,229 | 2,739 | 2,345 | 96,494 | 26,520 | 123,015 | (9,577) | 113,438 |
| YoY % | (64.9) | (59.9) | (38.5) | (20.4) | (62.6) | (9.7) | (57.1) | — | (58.6) |
| (1) Revenue to external customers | 24,240 | 11,985 | 2,447 | 1,710 | 40,384 | 23,075 | 63,459 | — | 63,459 |
| (2) Intersegment revenue | 67 | 147 | 291 | 385 | 890 | 7,494 | 8,384 | (8,384) | — |
| Total revenue | 24,308 | 12,132 | 2,739 | 2,095 | 41,275 | 30,569 | 71,844 | (8,384) | 63,459 |
| YoY % | (63.2) | (45.1) | (38.0) | (19.5) | (56.6) | 8.9 | (41.7) | — | (43.6) |
| Business profit | (4,870) | 443 | 752 | 132 | (3,542) | 779 | (2,763) | (1,116) | 3,879 |
| YoY % | — | (84.3) | (56.0) | (83.1) | — | (8.2) | — | — | — |
| Segment profit | (23,156) | (4,127) | 380 | 72 | (26,831) | (174) | (27,005) | (98) | (27,103) |
| YoY % | — | — | (77.4) | (90.9) | — | — | — | — | — |

3. Performance by consolidated company

(Millions of yen, %)

| Company name | Three months ended May 31, 2020 | | | | Capital | Ownership percentage | Business |
|--|---------------------------------|-----------------|------------------|----------|----------|----------------------|---|
| | Revenue | Business profit | Operating profit | Profit | | | |
| 1. J. Front Retailing Co., Ltd. | 8,150 | 6,907 | 6,727 | 6,655 | 31,974 | | |
| 2. Daimaru Matsuzakaya Department Stores Co. Ltd. | 25,143 | (3,804) | (21,302) | (15,099) | 10,000 | 100.0 | Department store Real estate |
| 3. The Hakata Daimaru, Inc. | 1,305 | (317) | (1,120) | (801) | 3,037 | 69.9 | Department store |
| 4. Kochi Daimaru Co., Ltd. | 590 | (83) | (200) | (139) | 300 | 100.0 | Department store |
| 5. Parco Co., Ltd. | 7,662 | 575 | (3,048) | (2,366) | 34,367 | 100.0 | Shopping complex |
| 6. Parco (Singapore) Pte Ltd | 14 | (8) | (20) | (20) | SGD 4M | 100.0 | Shopping complex |
| 7. Neuve A Co., Ltd. | 1,602 | (327) | (1,324) | (1,324) | 490 | 100.0 | Specialty store |
| 8. Parco Space Systems Co., Ltd. | 4,019 | 189 | (89) | (59) | 490 | 100.0 | Space engineering & management |
| 9. Parco Digital Marketing Co., Ltd. | 256 | 20 | 33 | 23 | 10 | 100.0 | Internet-related business |
| 10. Japan Retail Advisors Co., Ltd. | — | (0) | (0) | (0) | 10 | 100.0 | Real estate management Consulting |
| 11. JFR Card Co., Ltd. | 2,095 | 132 | 72 | 0 | 100 | 100.0 | Credit and finance |
| 12. Daimaru Kogyo, Ltd. | 7,518 | 163 | 126 | 87 | 1,800 | 100.0 | Wholesale |
| 13. Daimaru Kogyo International Trading (Shanghai) Co., Ltd. | 797 | 28 | 43 | 33 | USD 2M | 100.0 | Wholesale |
| 14. Daimaru Kogyo (Thailand) Co., Ltd. | 85 | 2 | 3 | 4 | THB 202M | 99.9 | Wholesale |
| 15. Taiwan Daimaru Kogyo, Ltd. | 31 | (0) | 1 | 1 | NTD 60M | 100.0 | Wholesale |
| 16. J. Front Design & Construction Co., Ltd. | 8,581 | 409 | 408 | 280 | 100 | 100.0 | Design & construction contracting |
| 17. Dimples' Co., Ltd. | 2,007 | (288) | (319) | (221) | 90 | 100.0 | Staffing service |
| 18. J. Front Foods Co., Ltd. | 141 | (156) | (386) | (386) | 100 | 100.0 | Restaurant |
| 19. Consumer Product End-Use Research Institute Co., Ltd. | 211 | 15 | (7) | (5) | 100 | 100.0 | Merchandise test Quality control |
| 20. Angel Park Co., Ltd. | 142 | 34 | 31 | 24 | 400 | 50.2 | Parking |
| 21. JFR Service Co. Ltd. | 2,103 | 57 | 57 | 46 | 100 | 100.0 | Commissioned back-office service Leasing Parking management |
| 22. JFR Information Center Co., Ltd. | 1,568 | 108 | 109 | 73 | 10 | 100.0 | Information service |
| 23. Daimaru Matsuzakaya Sales Associates Co. Ltd. | 1,485 | 471 | (164) | (113) | 90 | 100.0 | Commissioned sales & store operations |
| 24. Daimaru Matsuzakaya Tomonokai Co., Ltd. | 37 | (66) | (110) | 35 | 100 | 100.0 | Specified prepaid transaction service |

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

4. Components of SGA

(Millions of yen, %)

| Component | Three months ended May 31, 2020 | YoY | | Three months ended May 31, 2019 |
|----------------------------------|------------------------------------|----------|--------|------------------------------------|
| | | Amount | % | |
| | | | | |
| Advertising expenses | 1,609 | (1,447) | (47.4) | 3,056 |
| Packing and transportation costs | 326 | (198) | (37.6) | 524 |
| Rent expenses | 252 | (335) | (57.0) | 587 |
| Depreciation | 4,333 | (2,905) | (40.1) | 7,238 |
| Operational costs | 1,282 | (933) | (42.1) | 2,215 |
| Other | 6,514 | (4,367) | (40.1) | 10,881 |
| Total | 25,152 | (14,539) | (36.6) | 39,691 |

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

Three months ended May 31, 2020: 3,858 million yen / Three months ended May 31, 2019: 4,941 million yen

5. Components of other operating income and other operating expenses

(Millions of yen)

| Component | Three months ended May 31, 2020 | Three months ended May 31, 2019 | Remarks |
|---|------------------------------------|------------------------------------|--|
| Other operating income | 800 | 827 | |
| Compensation income | — | 487 | LY: Redevelopment of Shibuya PARCO |
| Other | 800 | 339 | |
| Other operating expenses | 24,024 | 509 | |
| Loss on disposal of fixed assets | 553 | 414 | Mainly Daimaru Matsuzakaya Department Stores |
| Impairment losses | 11,589 | — | Mainly Daimaru Matsuzakaya Department Stores and PARCO |
| Costs associated with temporary closure | 11,292 | — | Mainly Daimaru Matsuzakaya Department Stores and PARCO |
| Other | 589 | 94 | |

6. Components of finance income and finance costs and share of profit (loss) of investments accounted for using equity method

(Millions of yen)

| Component | Three months ended May 31, 2020 | YoY | Three months ended May 31, 2019 |
|---|------------------------------------|-------|------------------------------------|
| | | | Finance income |
| Interest and dividend income | 303 | (16) | 319 |
| Finance costs | 1,461 | 67 | 1,394 |
| Interest expenses on borrowings and bonds | 1,410 | 41 | 1,369 |
| Other | 50 | 26 | 24 |
| Share of profit (loss) of investments accounted for using equity method | (230) | (660) | 430 |

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

1. Business performance

(Millions of yen, %)

| Item | Three months ended May 31, 2020 | YoY | | Three months ended May 31, 2019 |
|---------------------------------------|------------------------------------|---------------------|----------|------------------------------------|
| | | Amount | % | |
| 1. Gross sales | 59,596 | (103,279) | (63.4) | 162,875 |
| [Of which: real estate rental income] | [4,119] | [(1,340)] | [(24.5)] | [5,459] |
| 2. Revenue | 25,143 | (38,423) | (60.4) | 63,566 |
| 3. Gross profit | 13,069 | (23,658) | (64.4) | 36,727 |
| 4. Gross margin | 51.98 % | Difference (5.80) % | | 57.78 % |
| 5. SGA | 16,873 | (12,306) | (42.2) | 29,179 |
| 6. Business profit | (3,804) | (11,352) | — | 7,548 |
| 7. Operating profit | (21,302) | (28,594) | — | 7,292 |
| 8. Profit before tax | (21,757) | (28,825) | — | 7,068 |
| 9. Profit | (15,099) | (19,968) | — | 4,869 |
| 10. Total assets | 593,058 | (24,283) | | 617,341 |
| [Of which: right-of-use assets] | [99,757] | [(5,356)] | | [105,113] |
| 11. Equity | 173,625 | (19,536) | | 193,161 |
| 12. Equity ratio | 29.3 % | Difference (2.0) % | | 31.3 % |

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

Reference

(Millions of yen, %)

| Item | Three months ended May 31, 2020 | | | | Three months ended May 31, 2019 | |
|---------------------------------------|------------------------------------|-------------------|----------------------|-------------------|------------------------------------|----------------------|
| | Department Store Business | YoY % | Real Estate Business | YoY % | Department Store Business | Real Estate Business |
| 1. Gross sales | 56,913 | (64.1) | 2,739 | (38.5) | 158,479 | 4,456 |
| [Of which: real estate rental income] | [1,466] | [30.7] | [2,698] | [(38.6)] | [1,122] | [4,397] |
| 2. Revenue | 22,450 | (62.1) | 2,739 | (38.0) | 59,205 | 4,421 |
| 3. Gross profit | 11,705 | (66.0) | 1,408 | (40.2) | 34,433 | 2,354 |
| 4. Gross margin | 52.14 % | Difference (6.02) | 51.43 % | Difference (1.83) | 58.16 % | 53.26 % |
| 5. SGA | 16,262 | (43.1) | 656 | 1.8 | 28,594 | 644 |
| 6. Business profit | (4,556) | — | 752 | (56.0) | 5,838 | 1,710 |
| 7. Operating profit | (21,682) | — | 380 | (77.4) | 5,606 | 1,686 |
| 8. Profit before tax | (21,980) | — | 223 | (83.5) | 5,718 | 1,350 |

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 | Three months ended May 31, 2020 | Share | YoY | | Three months ended May 31, 2019 | Share |
|---|-------------|------------------------------------|-------|-----------|--------------------|------------------------------------|-------|
| | | | | Amount | % | | |
| | | | | Daimaru | Osaka Shinsaibashi | | |
| | Osaka Umeda | 4,271 | 7.5 | (11,343) | (72.6) | 15,614 | 9.9 |
| | Tokyo | 4,785 | 8.4 | (15,177) | (76.0) | 19,962 | 12.6 |
| | Kyoto | 6,584 | 11.6 | (9,444) | (58.9) | 16,028 | 10.1 |
| | Kobe | 6,638 | 11.7 | (11,506) | (63.4) | 18,144 | 11.4 |
| | Suma | 1,220 | 2.1 | (711) | (36.8) | 1,931 | 1.2 |
| | Ashiya | 489 | 0.9 | (706) | (59.1) | 1,195 | 0.8 |
| | Sapporo | 5,301 | 9.3 | (10,468) | (66.4) | 15,769 | 9.9 |
| | Shimonoseki | 1,352 | 2.4 | 1,352 | — | — | — |
| | Yamashina | — | — | (413) | — | 413 | 0.3 |
| Matsuzakaya | Nagoya | 11,473 | 20.2 | (16,307) | (58.7) | 27,780 | 17.5 |
| | Ueno | 6,122 | 10.7 | (4,088) | (40.0) | 10,210 | 6.5 |
| | Shizuoka | 2,300 | 4.0 | (2,607) | (53.1) | 4,907 | 3.1 |
| | Takatsuki | 914 | 1.6 | (1,029) | (53.0) | 1,943 | 1.2 |
| | Toyota | 842 | 1.5 | (833) | (49.7) | 1,675 | 1.1 |
| Total | | 56,913 | 100.0 | (101,566) | (64.1) | 158,479 | 100.0 |
| Excluding Shimonoseki and Yamashina | | 55,560 | — | (102,505) | (64.9) | 158,065 | — |
| Excluding Shinsaibashi, Shimonoseki and Yamashina | | 50,945 | — | (84,218) | (62.3) | 135,163 | — |

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

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

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

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

(Millions of yen, %)

| Store | Period | Three months ended May 31, 2020 | YoY | | Three months ended May 31, 2019 |
|-------|--------|------------------------------------|---------|--------------------|------------------------------------|
| | | | Amount | % | |
| | | | Daimaru | Osaka Shinsaibashi | |

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

(2) YoY change in monthly sales

(%)

| Month | March | April | May | Three months ended May 31, 2020 |
|------------------|--------|--------|--------|------------------------------------|
| Total all stores | (43.4) | (78.0) | (72.8) | (64.1) |
| After adjustment | (40.9) | (76.3) | (71.8) | (62.3) |

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

(3) Sales by merchandise category and gross margin ratio

(Millions of yen, %)

| Merchandise category | Sales | YoY % | Share | Share LY | Gross margin ratio | YoY RD |
|----------------------|--------|--------|-------|----------|--------------------|--------|
| Clothing | 19,708 | (70.4) | 34.6 | 42.0 | 24.25 | (0.98) |
| Accessories | 2,654 | (74.8) | 4.7 | 6.6 | 28.39 | (0.50) |
| General goods | 9,886 | (70.7) | 17.4 | 21.3 | 24.99 | (0.89) |
| Household goods | 2,269 | (63.0) | 4.0 | 3.9 | 24.76 | (0.03) |
| Foods | 14,490 | (52.6) | 25.4 | 19.3 | 14.41 | 0.16 |
| Other | 7,904 | (27.7) | 13.9 | 6.9 | 24.19 | 4.50 |
| Total | 56,913 | (64.1) | 100.0 | 100.0 | 22.08 | (1.02) |

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

(Millions of yen, %)

| Merchandise category | Sales | YoY % | Share |
|----------------------|--------|--------|-------|
| Clothing | 16,996 | (69.7) | 33.4 |
| Accessories | 2,488 | (74.8) | 4.9 |
| General goods | 8,310 | (66.1) | 16.3 |
| Household goods | 2,152 | (59.3) | 4.2 |
| Foods | 13,944 | (52.1) | 27.4 |
| Other | 7,052 | (31.4) | 13.8 |
| Total | 50,945 | (62.3) | 100.0 |

(4) Duty-free sales

(Millions of yen, %)

| | Amount | YoY % | Sales share |
|----------------------------|--------|--------|-------------|
| Daimaru Osaka Shinsaibashi | 106 | (99.0) | 2.3 |
| Osaka Umeda | 10 | (99.3) | 0.2 |
| Tokyo | 21 | (97.6) | 0.5 |
| Kyoto | 22 | (98.3) | 0.3 |
| Kobe | 28 | (95.4) | 0.4 |
| Sapporo | 23 | (98.6) | 0.4 |
| Shimonoseki | 0 | — | 0.0 |
| Matsuzakaya Nagoya | 63 | (94.4) | 0.6 |
| Ueno | 13 | (95.6) | 0.2 |
| Shizuoka | 2 | (95.0) | 0.1 |
| Total | 292 | (98.4) | 0.5 |

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, %)

| | Amount | YoY % | Share of transaction volume |
|----------------------------|--------|--------|-----------------------------|
| Daimaru Osaka Shinsaibashi | 140 | (98.6) | 2.6 |

3. Components of SGA

(Millions of yen, %)

| Component | Three months ended May 31, 2020 | YoY | | Three months ended May 31, 2019 |
|----------------------------------|------------------------------------|--------------------|---------------|------------------------------------|
| | | Amount | % | |
| | | Personnel expenses | 4,799 | |
| Advertising expenses | 1,361 | (1,134) | (45.5) | 2,495 |
| Packing and transportation costs | 271 | (148) | (35.2) | 419 |
| Rent expenses | 20 | (99) | (83.0) | 119 |
| Depreciation | 3,123 | (2,385) | (43.3) | 5,508 |
| Operational costs | 1,549 | (1,619) | (51.1) | 3,168 |
| Other | 5,747 | (5,499) | (48.9) | 11,246 |
| Total | 16,873 | (12,306) | (42.2) | 29,179 |

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

Three months ended May 31, 2020: 1,218 million yen / Three months ended May 31, 2019: 1,717 million yen

4. Components of other operating income and other operating expenses

(Millions of yen)

| Component | Three months ended May 31, 2020 | Three months ended May 31, 2019 | Remarks |
|---|------------------------------------|------------------------------------|--|
| Other operating income | 667 | 94 | |
| Other | 667 | 94 | Gain on extinguishment of tie-in shares of Shimonoseki Daimaru, etc. |
| Other operating expenses | 18,164 | 349 | |
| Loss on disposal of fixed assets | 512 | 323 | Sales floor renovation, etc. |
| Impairment losses | 9,742 | — | Daimaru Umeda store and Matsuzakaya Toyota store |
| Costs associated with temporary closure | 7,597 | — | |
| Other | 312 | 26 | |

5. Components of finance income and finance costs

(Millions of yen)

| Component | Three months ended May 31, 2020 | YoY | Three months ended May 31, 2019 |
|------------------------------|------------------------------------|-------|------------------------------------|
| | | | |
| Finance income | 405 | (220) | 625 |
| Interest and dividend income | 405 | (220) | 625 |
| Finance costs | 860 | 12 | 848 |
| Interest expenses | 860 | 12 | 848 |

III. Parco Non-consolidated Statements 【IFRS】

1. Business performance

(Millions of yen, %)

| Item | Three months ended May 31, 2020 | YoY | | Three months ended May 31, 2019 |
|---------------------------------|------------------------------------|--------------------|--------|------------------------------------|
| | | Amount | % | |
| 1. Tenant transaction volume | 24,325 | (41,423) | (63.0) | 65,748 |
| 2. Revenue | 7,662 | (6,949) | (47.6) | 14,611 |
| 3. Gross profit | 2,550 | (2,593) | (50.4) | 5,143 |
| 4. SGA | 1,975 | (395) | (16.7) | 2,370 |
| 5. Business profit | 575 | (2,197) | (79.3) | 2,772 |
| 6. Operating profit | (3,048) | (6,390) | — | 3,342 |
| 7. Profit before tax | (3,363) | (6,386) | — | 3,023 |
| 8. Profit | (2,366) | (4,470) | — | 2,104 |
| 9. Total assets | 342,182 | (380) | / | 342,562 |
| [Of which: right-of-use assets] | [85,847] | [(2,119)] | | [87,966] |
| 10. Equity | 122,434 | (2,311) | | 124,745 |
| 11. Equity ratio | 35.8 % | Difference (0.6) % | | 36.4 % |

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

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

3. Results for the previous year in Items 9, 10, and 11 are figures at the end of the previous business year ended February 29, 2020.

2. Summary of tenant transaction volume

(1) Tenant transaction volume by store

(Millions of yen, %)

| Store | Three months ended May 31, 2020 | | Store | Three months ended May 31, 2020 | |
|-------------------------|---------------------------------|--------|--|---------------------------------|--------|
| | Amount | YoY % | | Amount | YoY % |
| Sapporo PARCO | 855 | (74.5) | Shintokorozawa PARCO | 1,164 | (56.8) |
| Sendai PARCO | 1,990 | (60.9) | Tsudanuma PARCO | 1,243 | (60.5) |
| Urawa PARCO | 3,075 | (56.2) | Hibarigaoka PARCO | 868 | (57.6) |
| Ikebukuro PARCO | 1,583 | (77.1) | Matsumoto PARCO | 599 | (54.8) |
| PARCO_ya Ueno | 344 | (76.8) | Utsunomiya PARCO | — | — |
| Kichijoji PARCO | 660 | (73.9) | Kumamoto PARCO | — | — |
| Shibuya PARCO | 1,186 | 223.6 | Total community store group | 3,876 | (64.0) |
| Kinshicho PARCO | 729 | (69.6) | Total urban/community stores | 24,325 | (63.0) |
| Chofu PARCO | 2,064 | (57.1) | Total existing stores | 23,263 | (63.8) |
| Shizuoka PARCO | 1,103 | (56.1) | Notes: 1. Tenant transaction volume is the total amount of transactions conducted by tenants at Parco stores. 2. The main building of Shibuya PARCO opened on November 22, 2019. Utsunomiya PARCO and Kumamoto PARCO closed on May 31, 2019 and February 29, 2020, respectively. 3. Total existing stores does not include sales from the main building of Shibuya PARCO, Utsunomiya PARCO and Kumamoto PARCO. | | |
| Nagoya PARCO | 3,156 | (63.9) | | | |
| Hiroshima PARCO | 1,600 | (59.5) | | | |
| Fukuoka PARCO | 2,098 | (63.7) | | | |
| Total urban store group | 20,448 | (62.8) | | | |

(2) YoY change in monthly tenant transaction volume

(%)

| Month | March | April | May | Three months ended May 31, 2020 |
|-----------------------|--------|--------|--------|---------------------------------|
| Total all stores | (29.1) | (82.2) | (82.3) | (63.0) |
| Total existing stores | (31.8) | (82.2) | (81.8) | (63.8) |

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

| Merchandise category | YoY % |
|----------------------|--------|
| Womenswear | (69.2) |
| Menswear | (69.8) |
| General clothing | (68.7) |
| Total clothing | (69.1) |
| Shoes | (71.0) |
| Bags | (74.9) |
| Accessories | (67.3) |
| Cosmetics | (59.8) |
| Total personal items | (65.3) |
| General goods | (59.1) |
| Foods | (17.9) |
| Restaurants | (69.9) |
| Other | (76.4) |
| Total | (63.8) |

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

| Category | YoY % |
|----------------------------|--------|
| Number of paying customers | (57.0) |
| Average spend per customer | (15.8) |

(5) Credit card (existing stores)

(Millions of yen, %)

| Category | Transaction volume | YoY % | Share of transaction volume |
|-------------|--------------------|--------|-----------------------------|
| Credit card | 10,781 | (63.8) | 46.3 |
| Parco card | 4,018 | (69.8) | 17.3 |

(6) Renovation

| | |
|---|--------|
| Number of sections | 73 |
| Renovated area (㎡) | 12,000 |
| YoY change in zone transaction volume (%) | (50.4) |

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

(%)

| | YoY | Share | YoY change in share |
|-----------------------|--------|-------|---------------------|
| Sapporo PARCO | (98.2) | 0.8 | (10.6) |
| Ikebukuro PARCO | (86.9) | 2.2 | (1.6) |
| Nagoya PARCO | (90.1) | 0.5 | (1.4) |
| Fukuoka PARCO | (94.7) | 0.6 | (3.2) |
| Total existing stores | (92.5) | 0.4 | (1.6) |

Notes: 1. Share is the duty-free sales percentage of total tenant transaction volume of each store.

2. Duty-free tenant transaction volume is calculated by totaling purchases via foreign-issued credit cards and Chinese mobile payment.

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

3. Components of operating costs

(Millions of yen, %)

| Component | Three months ended May 31, 2020 | YoY | | Three months ended May 31, 2019 |
|-------------------------------------|------------------------------------|--------------------|--------|------------------------------------|
| | | Amount | % | |
| | | Personnel expenses | 210 | |
| Rent expenses on land and buildings | 174 | (174) | (50.0) | 348 |
| Advertising expenses | 458 | (1,012) | (68.8) | 1,470 |
| Outsourcing expenses | 858 | (236) | (21.5) | 1,094 |
| Depreciation | 2,000 | (1,103) | (35.5) | 3,103 |
| Utilities expenses | 585 | (329) | (35.9) | 914 |
| Repair expenses | 288 | (84) | (22.7) | 372 |
| Other | 534 | (1,193) | (69.1) | 1,727 |
| Total | 5,111 | (4,357) | (46.0) | 9,468 |

4. Components of SGA

(Millions of yen, %)

| Component | Three months ended May 31, 2020 | YoY | | Three months ended May 31, 2019 |
|-------------------------------------|------------------------------------|--------------------|--------|------------------------------------|
| | | Amount | % | |
| | | Personnel expenses | 937 | |
| Rent expenses on land and buildings | 39 | (0) | (1.2) | 39 |
| Advertising expenses | 19 | (50) | (71.6) | 69 |
| Outsourcing expenses | 280 | (7) | (2.3) | 287 |
| Depreciation | 216 | (93) | (29.8) | 309 |
| Taxes and dues | 135 | 1 | 0.5 | 134 |
| Other | 345 | (183) | (34.6) | 528 |
| Total | 1,975 | (395) | (16.7) | 2,370 |

5. Components of other operating income and other operating expenses

(Millions of yen)

| Component | Three months ended May 31, 2020 | Three months ended May 31, 2019 | Remarks |
|---|------------------------------------|------------------------------------|--|
| Other operating income | 112 | 652 | |
| Compensation income | — | 487 | LY: Redevelopment of Shibuya PARCO |
| Other | 112 | 164 | |
| Other operating expenses | 3,736 | 82 | |
| Loss on disposal of fixed assets | 31 | 60 | Partial removal/disposal of assets due to in-store renovation and facility replacement at stores |
| Impairment losses | 1,280 | — | Matsumoto PARCO, etc. |
| Costs associated with temporary closure | 2,400 | — | |
| Other | 23 | 21 | |

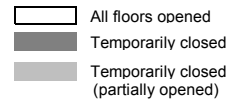
6. Components of finance income and finance costs

(Millions of yen)

| Component | Three months ended May 31, 2020 | Three months ended May 31, 2019 | |
|------------------------------|------------------------------------|------------------------------------|-----|
| | | YoY | |
| Finance income | 355 | 47 | 308 |
| Interest and dividend income | 355 | 47 | 308 |
| Finance costs | 670 | 43 | 627 |
| Interest expenses | 670 | 43 | 627 |

<Reference>

Operation of each department store and PARCO store March to May 2020 (overview)



| | | March | April | May | |
|----------------------|--|--|--|--|------------------------------|
| Daimaru | Shinsaibashi | | Apr 8 - Temporarily closed | May 7 - Food floors reopened May 19 - All floors reopened | |
| | Umeda | | Apr 8 - Temporarily closed | May 7 - Food floors reopened May 19 - All floors reopened | |
| | Tokyo | Mar 29 | Apr 8 - Temporarily closed | May 7 - Food floors reopened May 26 - | |
| | Kyoto | | Apr 15 - Temporarily closed (except food floors) | May 19 - All floors reopened | |
| | Kobe | | Apr 8 - Temporarily closed | May 7 - Food floor reopened May 19 - All floors reopened | |
| | Suma | | Apr 8 - Temporarily closed (except food floor) | May 19 - All floors reopened | |
| | Ashiya | | Apr 8 - Temporarily closed | May 7 - Food floors reopened May 19 - All floors reopened | |
| | Sapporo | | Apr 19 - Temporarily closed (except food floor) | May 27 - | |
| | Shimonoseki | Temporarily closed on Mar 3 (Tue), 10 (Tue), 17 (Tue) and 24 (Tue) [excluding 24 (Tue) in Shimonoseki store] | | | |
| | Matsuzakaya | Nagoya | | Apr 11 - Temporarily closed (except food floors) | May 19 - All floors reopened |
| Ueno | | Mar 29 | Apr 8 - Temporarily closed | May 7 - Food floors reopened May 26 - | |
| Shizuoka | | | Apr 18 - Temporarily closed (except food floor) | May 13 - All floors reopened | |
| Takatsuki | | | Apr 8 - Temporarily closed (except food floor) | May 19 - All floors reopened | |
| Toyota | | | Apr 11 - Temporarily closed (except food floor) | May 19 - All floors reopened | |
| Hakata Daimaru | | Apr 8 - Temporarily closed | May 7 - Food floors reopened May 19 - All floors reopened | | |
| Kochi Daimaru | Temporarily closed on Mar 4 (Wed), 11 (Wed), 18 (Wed) and 24 (Tue) | | Apr 18 - Temporarily closed | May 7 - Food floor reopened May 11 - All floors reopened | |
| Sapporo PARCO | | | Apr 18 - Temporarily closed | | |
| Sendai PARCO | | Apr 4, 5 Apr 11, 12 | Apr 18 - Temporarily closed | May 14 - Reopened | |
| Shintokorozawa PARCO | | Apr 4, 5 | Apr 8 - Temporarily closed (except food floor) | | |
| Urawa PARCO | | Apr 4, 5 | Apr 8 - Temporarily closed (except food floors) | | |
| Ikebukuro PARCO | Mar 28, 29 | Apr 4, 5, 6 | Apr 8 - Temporarily closed | | |
| PARCO_ya Ueno | Mar 28, 29 | Apr 4, 5 | Apr 8 - Temporarily closed | | |
| Hibarigaoka PARCO | | Apr 4, 5 | Apr 8 - Temporarily closed (except food floor) | | |
| Kichijoji PARCO | | Apr 4, 5 | Apr 8 - Temporarily closed | | |
| Shibuya PARCO | Mar 28, 29 | Apr 4, 5 | Apr 8 - Temporarily closed | | |
| Kinshicho PARCO | | Apr 4, 5 | Apr 8 - Temporarily closed | | |
| Chofu PARCO | | Apr 4, 5 | Apr 8 - Temporarily closed (except food floor) | | |
| Tsudanuma PARCO | | Apr 4, 5 | Apr 8 - Temporarily closed (except food floors) | | |
| Matsumoto PARCO | | | Apr 18 - Temporarily closed | May 14 - Reopened | |
| Shizuoka PARCO | | | Apr 18 - Temporarily closed | May 14 - Reopened | |
| Nagoya PARCO | | | Apr 11 - Temporarily closed | May 22 - Reopened | |
| Hiroshima PARCO | | | Apr 11, 12 Apr 18 - Temporarily closed | May 20 - Reopened | |
| Fukuoka PARCO | | Apr 4, 5 | Apr 8 - Temporarily closed | May 20 - Reopened | |

Notes: 1. In addition to the above, each store reduced business hours as appropriate.
2. All PARCO stores reopened from March 1.