

[Translation]

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To whom it may concern

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Notice Regarding Revision to Earnings Forecasts

J. FRONT RETAILING Co., Ltd. (the “Company”) hereby announces that it has revised its first-six-month and full-year earnings forecasts for the fiscal year ending February 28, 2018, from those announced on April 10, 2017. The details are provided below.

Revision to earnings forecasts

Revision to the consolidated earnings forecasts for the six months ended August 31, 2017
(cumulative) (from March 1, 2017 to August 31, 2017)

	Sales revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	227,000	21,000	21,350	12,800	48.94
Revised forecasts (B)	234,500	26,600	25,900	16,300	62.32
Change (B-A)	7,500	5,600	4,550	3,500	
Percentage of change (%)	3.3	26.7	21.3	27.3	
(Reference) Actual earnings results of the second quarter of the previous fiscal year (The six months ended August 31, 2016)	221,249	21,494	21,367	13,849	52.95

Revision to the consolidated earnings forecasts for the fiscal year ending February 28, 2018 (from March 1, 2017 to February 28, 2018)

	Sales revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	469,000	44,500	44,700	26,500	101.32
Revised forecasts (B)	472,000	49,000	47,000	28,500	108.97
Change (B-A)	3,000	4,500	2,300	2,000	
Percentage of change (%)	0.6	10.1	5.1	7.5	
(Reference) Actual earnings results of the previous fiscal year (The fiscal year ended February 28, 2017)	452,505	41,727	42,608	27,052	103.43

Note: The Group has adopted the International Financial Reporting Standards (hereinafter “IFRS”), effective from the three months ended May 31, 2017. Figures for the six months ended August 31, 2016, and for the fiscal year ended February 28, 2017, which were based on the generally accepted accounting standards in Japan (Japanese GAAP) in the reporting of those previous periods, are reclassified in accordance with IFRS.

Reason for the revision

(1) The consolidated earnings forecasts for the six months ended August 31, 2017 (cumulative)
Concerning the consolidated earnings forecasts for the first six months of the fiscal year, the Company has upwardly revised its forecasted sales revenue by ¥7,500 million compared with the previously announced forecast owing to favorable sales in the area of electronic devices in the Wholesale Business. Furthermore, as a result of favorable results from the GINZA SIX in the Real Estate Business, as well as the recording of gain on sales of investments in associates, the Company has upwardly revised operating profit by ¥5,600 million, profit before tax by ¥4,500 million, and profit attributable to owners of parent by ¥3,500 million, compared with the previously announced forecasts.

(2) The consolidated earnings forecasts for the fiscal year ending February 28, 2018
Concerning the consolidated earnings forecasts for the full fiscal year, the Company has reviewed the situation, and after reflecting on the details mentioned above, changes in consolidated subsidiaries, changes to the business environment, and other considerations, the Company has upwardly revised sales revenue by ¥3,000 million, operating profit by ¥4,500 million, profit before tax by ¥2,300 million and profit attributable to owners of parent by ¥2,000 million, compared with the previously announced forecasts.

(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 as of the date of this release and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may differ substantially due to various factors.

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