

[Translation]

February 28, 2019

To whom it may concern

Company name: J. FRONT RETAILING Co., Ltd.
Representative: Ryoichi Yamamoto, President
(Securities code: 3086, First Section of the Tokyo
Stock Exchange and Nagoya Stock Exchange)
Inquiries: Hajime Inagami, Senior General Manager
of Investor Relations Promotion Division, Financial
Strategy Unit
(TEL: +81-3-6895-0178 (from overseas))

Notice Regarding Revision to Earnings Forecasts

J. FRONT RETAILING Co., Ltd. (the “Company”) hereby announces that it has revised its consolidated earnings forecasts for the fiscal year ending February 28, 2019 (from March 1, 2018 to February 28, 2019), from those announced on December 27, 2018. The details are provided below. The Company does not plan to change the forecast for annual dividends (interim dividend of ¥17 per share and year-end dividend of ¥18 per share) as a result of the aforementioned revision to earnings forecasts.

Revision to earnings forecasts

Revision to the consolidated earnings forecasts for the fiscal year ending February 28, 2019 (from March 1, 2018 to February 28, 2019)

	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
Previous forecasts (A)	1,150,000	475,000	49,500	48,500	49,600
Revised forecasts (B)	1,125,000	461,000	44,400	39,600	40,800
Change (B-A)	(25,000)	(14,000)	(5,100)	(8,900)	(8,800)
Percentage of change (%)	(2.2)	(2.9)	(10.3)	(18.4)	(17.7)
(Reference) Actual earnings results of the previous fiscal year (The fiscal year ended February 28, 2018)	1,138,981	469,915	46,247	49,546	48,271

	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Yen
Previous forecasts (A)	30,500	116.59
Revised forecasts (B)	26,300	100.51
Change (B-A)	(4,200)	
Percentage of change (%)	(13.8)	
(Reference) Actual earnings results of the previous fiscal year (The fiscal year ended February 28, 2018)	28,486	108.92

- *1. Of sales revenue, sales from purchase recorded at the time of sale (*shoka shiire*) of the “Department Store Business” and “Other (Daimaru Kogyo)” have been converted into gross amount and the net amount of sales of the “PARCO 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 expenses from sales revenue. Operating profit is obtained by adding other operating income to and subtracting other operating expense from business profit.

Reason for the revision

Concerning the consolidated earnings forecasts for the fiscal year, PARCO Co., Ltd. today decided the closure of PARCO stores in Utsunomiya and Kumamoto. Accordingly, the Company plans to record other operating expenses amounting to about ¥4,500 million mainly comprising losses directly relating to the closure, and impairment loss regarding other stores.

In addition to the above, the Company has downwardly revised sales revenue by ¥14,000 million, compared with the previously announced forecasts, mainly because of not only the negative effect of typhoons, earthquakes, etc. on the Department Store and PARCO Businesses; but also an uphill battle on clothing, etc., which was particularly concentrated in the December and New Year trading season, and weak performance in the Wholesaling, and Design and Construction Businesses. Although the Company sought to mitigate these circumstances with initiatives aimed at reducing expenses during the fiscal year, it has downwardly revised business profit by ¥5,100 million, compared with the previously announced forecasts.

Consequently, the Company has downwardly revised operating profit by ¥8,900 million, profit before tax by ¥8,800 million, and profit attributable to owners of parent by ¥4,200 million, compared with the previously announced forecasts.

(Caution regarding forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in this document 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 due to various factors.

END