

Line items under Japanese GAAP	Japanese GAAP	Reclassification	Differences in recognition and measurement	IFRSs	Notes	Line items under IFRSs
	Millions of yen	Millions of yen	Millions of yen	Millions of yen		
Other comprehensive income						Other comprehensive income
						Items that will not be reclassified to profit or loss
Valuation difference on available-for-sale securities	(51)	-	2,218	2,167	(8)	Financial assets measured at fair value through other comprehensive income
Remeasurements of defined benefit plans, net of tax	3,584	-	(679)	2,905	(5)	Remeasurements of defined benefit plans
	-	(385)	(26)	(411)		Share of other comprehensive income of entities accounted for using the equity method
	3,533	(385)	1,513	4,660		Total items that will not be reclassified to profit or loss
						Items that may be reclassified to profit or loss
Deferred gains or losses on hedges	63	-	100	164		Cash flow hedges
Foreign currency translation adjustment	(115)	-	(2)	(118)		Exchange differences on translation of foreign operations
Share of other comprehensive income of entities accounted for using the equity method	(441)	385	(276)	(333)		Share of other comprehensive income of entities accounted for using the equity method
	(494)	385	(178)	(286)		Total items that may be reclassified to profit or loss
Total other comprehensive income	3,039	-	1,334	4,374		Other comprehensive income, net of tax
Comprehensive income	33,425	-	1,391	34,817		Comprehensive income

Notes to reconciliations of profit or loss and comprehensive income

(1) Adjustment to sales revenue

1) Under Japanese GAAP, the amount of transactions which the Group conducted as a principal and the amount of transactions in which the Group was involved as an agent are presented as net sales on a gross basis; however, under IFRSs, transactions considered to be those in which the Group was involved as an agent are presented on a net basis.

2) The Group has implemented a point program for the purpose of encouraging repeated visits to shops and shopping by customers. Under Japanese GAAP, revenue is recognized collectively at the time of sales, and a provision for the amount that is prepared for future use against the unused balance at the end of each reporting period is recorded as liabilities. Under IFRSs, when

reward points are granted simultaneously with sales of goods, consideration is allocated to goods sold and reward points granted, and revenue of the former is recognized at the time of initial sale and revenue recognition for the latter is deferred until the time when the reward points are actually exchanged.

(2) Adjustment to levies

Items qualified as levies such as property tax were recognized at the time of payment under Japanese GAAP. Under IFRSs, they are recognized on the date when an obligation event occurs.

(3) Adjustment to the amount of goodwill

Goodwill is amortized over a certain period of time under Japanese GAAP, but it is not amortized under IFRSs.

(4) Adjustment to the amount of investments accounted for using the equity method

Goodwill for entities accounted for using the equity method is amortized under Japanese GAAP, but it is not amortized under IFRSs.

(5) Accounting of retirement benefit liabilities

Under Japanese GAAP, the Group recognized actuarial gains and losses in other comprehensive income at the time of occurrence and amortized them by the straight-line method over a certain number of years within the average remaining service period of employees, starting in the fiscal year during which they occurred. However, under IFRSs, the Group shall recognize actuarial gains and losses in other comprehensive income at the time of occurrence, and immediately transfer them in retained earnings.

(6) Adjustment to line items

Items presented in “non-operating income,” “non-operating expenses,” “extraordinary income” and “extraordinary losses” under Japanese GAAP are recorded as “finance income” and “finance costs” for finance-related gains or losses, and as “other operating income,” “other operating

expense” and “share of profit (loss) of investments accounted for using the equity method,” for other items under IFRSs.

(7) Income tax expense

Although “income taxes - current” and “income taxes - deferred” were presented separately under Japanese GAAP, these items are presented collectively as “income tax expense” under IFRSs.

(8) Financial assets measured at fair value through other comprehensive income

Unlisted shares, which were recorded on the basis of acquisition cost under Japanese GAAP, are measured at fair value under IFRSs.

Reconciliation of cash flows for the fiscal year ended February 28, 2017 (from March 1, 2016 to February 28, 2017)

There are no material differences between the consolidated statement of cash flows that is disclosed in accordance with Japanese GAAP and the consolidated statement of cash flows that is disclosed in accordance with IFRS.

43 Approval of Consolidated Financial Statements

These consolidated financial statements were approved by the President and Representative Executive Officer Ryoichi Yamamoto on May 21, 2018.

(2) Other

Quarterly financial information, etc. for the fiscal year under review

(Cumulative)	First three months	First six months	First nine months	Fiscal year under review
Sales revenue (Millions of yen)	114,084	234,510	342,495	469,915
Profit before tax (Millions of yen)	13,668	25,918	37,727	48,271
Profit attributable to owners of parent (Millions of yen)	8,720	16,315	23,713	28,486
Basic earnings per share (Yen)	33.34	62.38	90.67	108.92

(Quarterly)	First quarter	Second quarter	Third quarter	Fourth quarter
Basic earnings per share (Yen)	33.34	29.04	28.29	18.25