

J. FRONT RETAILING Supplementary Information to Financial Results

1. Consolidated Results of Operations (Actual and Forecast)

(Unit: Millions of yen, %)

Item	Actual (FY2/2013)		Forecast (FY2/2014)			
			Cumulative 2Q (8/2013)		Full year (2/2014)	
	Amount	YoY	Amount	YoY	Amount	YoY
1. Consolidated net sales	1,092,756	16.1 < 1.4 >	550,000	20.3 < 2.6 >	1,150,000	5.2 < 2.3 >
2. Consolidated gross margin	22.48 %	Change (1.60) % < (0.50) >	21.36 %	Change (2.41) % < (0.79) >	21.22 %	Change (1.26) % < (0.74) >
3. Consolidated gross profit	245,615	8.4 < (0.6) >	117,500	8.2 < (0.7) >	244,000	(0.7) < (0.9) >
4. Consolidated SG&A	214,757	4.7 < (2.4) >	102,000	2.5 < (1.6) >	204,000	(5.0) < (2.2) >
5. Consolidated operating income	30,857	42.9 < 15.6 >	15,500	69.3 < 7.3 >	40,000	29.6 < 7.4 >
6. Consolidated operating margin	2.8 %	Change 0.5 %	2.8 %	Change 0.8 %	3.5 %	Change 0.7 %
7. Consolidated ordinary income	32,202	40.4	13,700	24.5	37,000	14.9
8. Consolidated ordinary income margin	2.9 %	Change 0.5 %	2.5 %	Change 0.1 %	3.2 %	Change 0.3 %
9. Consolidated net income	12,183	(35.2)	20,000	412.1	29,000	138.0
10. Consolidated net income margin	1.1 %	Change (0.9) %	3.6 %	Change 2.7 %	2.5 %	Change 1.4 %
11. Consolidated total assets	1,009,165	241,622	995,000	(14,165)	998,000	(11,165)
12. Consolidated equity	341,318	8,401	359,000	17,682	365,000	23,682
13. Consolidated interest-bearing debt	213,085	107,060	196,000	(17,085)	193,000	(20,085)
14. Consolidated financial balance	(943)	(216)	(650)	(339)	(1,300)	(357)
15. Number of consolidated subsidiaries	31 companies	8 companies	30 companies	(1) company	30 companies	(1) company
16. Number of equity method affiliates	8 companies	2 companies	8 companies	0 company	8 companies	0 company
17. Cash flows from operating activities	26,025	1,660	17,000	4,228	35,000	8,975
18. Cash flows from investing activities	(73,977)	(47,196)	(1,000)	69,437	(13,000)	60,977
19. Cash flows from financing activities	58,275	65,147	(21,000)	(91,635)	(27,000)	(85,275)
20. Return on equity (ROE)	3.6 %	Change (2.2) %			8.2 %	Change 4.6 %
21. Return on assets (ROA)	3.5 %	Change 0.7 %			4.0 %	Change 0.5 %
22. Return on investment (ROI)	6.5 %	Change 1.2 %			6.7 %	Change 0.2 %
23. Interest-bearing debt to equity ratio	0.62 times	Change 0.30 times			0.53 times	Change (0.09) times
24. Interest-bearing debt to cash flow ratio	8.19 times	Change 3.84 times			5.51 times	Change (2.68) times

Notes: 1. Actual YoY changes in angle brackets exclude PARCO Business.

Forecast YoY changes in angle brackets exclude PARCO Business and Supermarket Business.

2. Forecast YoY changes in Items 11, 12 and 13 are comparisons with the previous year-end.

3. Consolidated net income, consolidated operating income and consolidated ordinary income are used to calculate ROE, ROA and ROI, respectively.

4. Changes in consolidated subsidiaries

Current period: Increased by eight companies; PARCO Co., Ltd., Parco (Singapore) Pte Ltd, PARCO Consulting (SUZHOU) Co., Ltd., NEUVE A Co., Ltd., PARCO SPACE SYSTEMS Co., Ltd., PARCO-CITY Co., Ltd., JFR PLAZA Inc. and Daimaru Matsuzakaya Sales Associates Co., Ltd.

Next period: Decreasing by one company; Peacock Stores Ltd.

5. Changes in equity method affiliates

Current period: Increased by two companies; JAPAN RETAIL ADVISORS Co., Ltd. and Straits Parco Retail Management Pte Ltd

2-1. Financial Results by Consolidated Company (Actual)

(Unit: Millions of yen, %)

Company name	Capital	Ownership percentage	Business	Actual (FY2/2013)			
				Net sales	Operating income	Ordinary income	Net income
1. J. FRONT RETAILING Co., Ltd.	30,000			22,744	20,394	19,972	19,930
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	10,000	100.0	Department store	660,521	15,462	14,190	5,674
3. The Hakata Daimaru, Inc.	3,037	69.9	Department store	57,674	2,407	2,161	1,229
4. The Shimonoseki Daimaru, Inc.	480	100.0	Department store	17,597	471	391	202
5. Kochi Daimaru Co., Ltd.	300	100.0	Department store	14,543	358	408	208
6. PARCO Co., Ltd.	34,367	64.9	Shopping complex	125,022	5,610	5,490	2,830
7. Parco (Singapore) Pte Ltd	SGD 15M	64.9	Shopping complex	—	(171)	(123)	(133)
8. PARCO Consulting (SUZHOU) Co., Ltd.	CNY 1M	64.9	Shopping complex	—	(16)	(19)	(14)
9. NEUVE A Co., Ltd.	490	64.9	Specialty store	8,830	323	321	131
10. PARCO SPACE SYSTEMS Co., Ltd.	490	64.9	Space engineering & management	9,479	236	252	101
11. PARCO-CITY Co., Ltd.	10	64.9	Internet-related business	366	(19)	(21)	(21)
12. Peacock Stores Ltd.	2,550	100.0	Supermarket	101,778	(1,589)	(1,695)	(4,414)
13. Daimaru Kogyo, Ltd.	1,800	100.0	Wholesale	59,659	1,597	1,793	1,065
14. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	USD 2M	100.0	Wholesale	1,342	10	13	9
15. Daimaru Kogyo (Thailand) Co., Ltd.	THB 202M	100.0	Wholesale	122	(14)	(16)	(16)
16. JFR Card Co., Ltd.	100	100.0	Credit	8,592	2,951	2,809	1,604
17. J. Front Design & Construction Co., Ltd.	100	100.0	Design & construction Manufacture & sale of furniture	32,483	613	630	373
18. JFR Online Co. Ltd.	100	100.0	Direct marketing	18,043	46	50	13
19. Dimples' Co., Ltd.	90	100.0	Staffing service	12,896	752	743	337
20. J. Front Foods Co., Ltd.	100	100.0	Restaurant	3,655	169	166	51
21. Daimaru COM Development Inc.	50	100.0	Real estate leasing Tenant service	1,384	240	221	64
22. Consumer Product End-Use Research Institute Co., Ltd.	450	100.0	Merchandise test Quality control	1,033	93	98	26
23. JFR PLAZA Inc.	NTD 185M	90.0	General retail	—	(18)	(18)	(18)
24. JFR Information Center Co., Ltd.	10	100.0	Information service	6,100	322	325	192
25. JFR Office Support Co., Ltd.	100	100.0	Business processing	2,350	338	364	199
26. JFR Service Co. Ltd.	100	100.0	Leasing Parking management	5,800	364	356	201
27. JFR Consulting Co. Ltd.	100	100.0	Consulting	46	(3)	(3)	(4)
28. Angel Park Co., Ltd.	400	50.2	Parking	1,135	605	656	389
29. Daimaru Matsuzakaya Sales Associates Co. Ltd.	90	100.0	Contract sales service & store operation	4,358	217	218	124
30. Daimaru Matsuzakaya Tomonokai, Co., Ltd.	100	100.0	Special repayment-based transaction	2,344	(500)	312	122
31. Imabari Daimaru Co., Ltd.	300	100.0	(Under liquidation)	—	—	—	233
32. Central Park Building Co., Ltd.	100	100.0	(Under liquidation)	—	—	(6)	491

Notes: 1. PARCO Co., Ltd. and its five subsidiaries (Parco (Singapore) Pte Ltd, PARCO Consulting (SUZHOU) Co., Ltd., NEUVE A Co., Ltd., PARCO SPACE SYSTEMS Co., Ltd., and PARCO-CITY Co., Ltd.) became J. FRONT RETAILING's consolidated subsidiaries as of August 27, 2012. The financial figures of PARCO Co., Ltd. and its five subsidiaries are for the period from September 1, 2012 to February 28, 2013.
2. JFR PLAZA Inc. and Daimaru Matsuzakaya Sales Associates Co. Ltd. were established as of August 20, 2012 and September 3, 2012, respectively.

2-2. Financial Results by consolidated Company (Forecast)

(Unit: Millions of yen, %)

Company name	Capital	Ownership percentage	Business	Cumulative 2Q (8/2013)				Full year (2/2014)			
				Net sales	Operating income	Ordinary income	Q net income	Net sales	Operating income	Ordinary income	Net income
1. J. FRONT RETAILING Co., Ltd.	30,000			5,100	3,850	3,800	9,700	9,000	6,500	6,350	12,100
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	10,000	100.0	Department store	322,000	6,300	5,000	2,000	668,400	18,000	15,400	5,500
3. The Hakata Daimaru, Inc.	3,037	69.9	Department store	27,600	900	760	400	58,300	2,600	2,260	1,100
4. The Shimonoseki Daimaru, Inc.	480	100.0	Department store	8,700	210	165	95	17,800	530	430	240
5. Kochi Daimaru Co., Ltd.	300	100.0	Department store	7,000	130	140	65	14,700	370	370	200
6. PARCO Co., Ltd.	34,367	64.9	Shopping complex	119,950	5,250	5,050	2,650	249,100	11,350	10,900	5,850
7. Parco (Singapore) Pte Ltd	SGD 15M	64.9	Shopping complex	—	(141)	(128)	(128)	—	(299)	(273)	(273)
8. PARCO Consulting (SUZHOU) Co., Ltd.	CNY 1M	64.9	Shopping complex	—	(18)	(18)	(18)	—	(30)	(30)	(30)
9. NEUVE A Co., Ltd.	490	64.9	Specialty store	9,049	220	215	90	18,667	560	551	254
10. PARCO SPACE SYSTEMS Co., Ltd.	490	64.9	Space engineering & management	8,852	57	73	22	17,846	182	207	67
11. PARCO-CITY Co., Ltd.	10	64.9	Internet-related business	380	7	7	7	803	43	43	43
12. Daimaru Kogyo, Ltd.	1,800	100.0	Wholesale	27,000	610	600	360	61,000	1,910	1,900	1,200
13. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	USD 2M	100.0	Wholesale	600	0	0	0	1,500	10	9	9
14. Daimaru Kogyo (Thailand) Co., Ltd.	THB 202M	100.0	Wholesale	200	(9)	(9)	(9)	400	(19)	(19)	(19)
15. JFR Card Co., Ltd.	100	100.0	Credit	4,300	1,200	1,130	660	9,100	2,600	2,470	1,430
16. J. Front Design & Construction Co., Ltd.	100	100.0	Design & construction Manufacture & sale of furniture	19,000	600	600	340	36,000	1,050	1,050	640
17. JFR Online Co. Ltd.	100	100.0	Direct marketing	8,000	(100)	(99)	(79)	19,000	200	200	120
18. Dimples' Co., Ltd.	90	100.0	Staffing service	5,200	300	290	159	10,900	660	650	389
19. J. Front Foods Co., Ltd.	100	100.0	Restaurant	1,600	100	90	40	3,200	180	170	60
20. Daimaru COM Development Inc.	50	100.0	Real estate leasing Tenant service	970	130	120	59	1,970	260	240	129
21. Consumer Product End-Use Research Institute Co., Ltd.	450	100.0	Merchandise test Quality control	510	50	49	20	1,040	100	99	50
22. JFR PLAZA Inc.	NTD 185M	90.0	General retail	50	(50)	(50)	(50)	300	(100)	(100)	(100)
23. JFR Information Center Co., Ltd.	10	100.0	Information service	2,603	90	91	56	4,919	130	132	82
24. JFR Office Support Co., Ltd.	100	100.0	Business processing	1,078	73	73	53	2,120	121	121	94
25. JFR Service Co. Ltd.	100	100.0	Leasing Parking management	2,508	57	58	34	4,860	87	88	43
26. JFR Consulting Co. Ltd.	100	100.0	Consulting	12	(16)	(16)	(10)	35	(23)	(23)	(16)
27. Angel Park Co., Ltd.	400	50.2	Parking	570	300	319	199	1,090	550	589	369
28. Daimaru Matsuzakaya Sales Associates Co. Ltd.	90	100.0	Contract sales service & store operation	4,535	159	154	89	9,039	330	326	188
29. Daimaru Matsuzakaya Tomonokai, Co., Ltd.	100	100.0	Special repayment-based transaction	1,123	(220)	119	46	2,385	(520)	246	110
30. Imabari Daimaru Co., Ltd.	300	100.0	(Under liquidation)	—	—	—	—	—	—	—	—
31. Central Park Building Co., Ltd.	100	100.0	(Under liquidation)	—	—	—	—	—	—	—	—

Note: J. FRONT RETAILING transferred its shares in Peacock Stores Ltd. as of April 1, 2013 and excluded the company from consolidated subsidiaries.

3-1. Daimaru Matsuzakaya Department Stores Results of Operations (Actual and Forecast)

(Unit: Millions of yen, %)

Item	Actual (FY2/2013)		Forecast (FY2/2014)			
	Amount	YoY	Cumulative 2Q (8/2013)		Full year (2/2014)	
			Amount	YoY	Amount	YoY
1. Net sales	660,521	2.6	322,000	2.1	668,400	1.2
2. Gross margin	24.06 %	Change (0.14) %	24.01 %	Change (0.17) %	23.88 %	Change (0.18) %
3. Gross profit	158,921	2.1	77,300	1.4	159,600	0.4
4. SG&A	143,458	(0.6)	71,000	0.4	141,600	(1.3)
5. Operating income	15,462	35.8	6,300	14.2	18,000	16.4
6. Operating margin	2.3 %	Change 0.5 %	2.0 %	Change 0.3 %	2.7 %	Change 0.4 %
7. Ordinary income	14,190	40.8	5,000	0.6	15,400	8.5
8. Ordinary income margin	2.1 %	Change 0.5 %	1.6 %	Change 0.0 %	2.3 %	Change 0.2 %
9. Net income	5,674	25.3	2,000	374.1	5,500	(3.1)
10. Net income margin	0.9 %	Change 0.2 %	0.6 %	Change 0.5 %	0.8 %	Change (0.1) %
11. Total assets	381,689	(5,068)	380,500	(1,189)	377,500	(4,189)
12. Equity	84,237	(48,137)	84,100	(137)	85,400	1,163
13. Interest-bearing debt	114,044	38,252	117,000	2,956	114,200	156
14. Financial balance	(617)	265	(200)	(77)	(900)	(283)
15. Cash flows from operating activities	17,559	(1,490)	15,400	5,781	25,400	7,841
16. Cash flows from investing activities	(5,897)	10,159	(10,100)	(5,488)	(15,100)	(9,203)
17. Cash flows from financing activities	(11,034)	(7,601)	(5,200)	(788)	(10,200)	834
18. Return on equity (ROE)	5.2 %	Change 1.8 %			6.5 %	Change 1.3 %
19. Return on assets (ROA)	4.0 %	Change 1.1 %			4.7 %	Change 0.7 %
20. Return on investment (ROI)	7.0 %	Change 2.1 %			7.7 %	Change 0.7 %

Notes: 1. Forecast YoY changes in Items 11, 12 and 13 are comparisons with the previous year-end.

2. Net income, operating income and ordinary income are used to calculate ROE, ROA and ROI, respectively.

3-2. Daimaru Matsuzakaya Department Stores Sales by Store (Actual and Forecast)

(Unit: Millions of yen, %)

Store	Term	Actual (FY2/2013)		Forecast (FY2/2014)			
		Amount	YoY	Cumulative 2Q (8/2013)		Full year (2/2014)	
				Amount	YoY	Amount	YoY
Daimaru	Osaka Shinsaibashi	82,985	(1.1)	39,120	(3.5)	81,840	(1.4)
	Osaka Umeda	62,831	1.7	30,230	(2.1)	62,280	(0.9)
	Tokyo	57,212	21.3	31,360	31.1	66,010	15.4
	LaLaport Yokohama	3,752	(8.4)	—	—	—	—
	Urawa Parco	4,172	1.9	2,110	4.8	4,350	4.3
	Kyoto	68,503	0.0	33,280	0.8	69,400	1.3
	Yamashina	4,373	(1.2)	2,180	1.8	4,430	1.3
	Kobe	82,794	5.1	40,730	3.2	86,460	4.4
	Shinnagata	5,645	6.2	—	—	—	—
	Suma	9,986	(0.2)	5,000	3.8	10,350	3.6
	Ashiya	7,629	(2.9)	3,730	(0.2)	7,630	0.0
	Sapporo	57,109	1.6	28,360	4.5	60,010	5.1
	Total	446,997	3.4	216,100	1.9	452,760	1.3
Matsuzakaya	Nagoya	113,211	1.9	56,880	6.0	120,000	6.0
	Ueno	49,090	0.2	24,640	0.3	49,560	1.0
	Shizuoka	22,515	(0.5)	10,800	0.2	22,850	1.5
	Ginza	10,248	0.4	4,640	(11.6)	4,640	(54.7)
	Takatsuki	9,895	(1.2)	4,850	0.7	9,990	1.0
	Toyota	8,562	2.4	4,090	0.9	8,600	0.4
	Total	213,523	1.0	105,900	2.7	215,640	1.0
	Total	660,521	2.6	322,000	2.1	668,400	1.2
	Total excluding LaLaport Yokohama and Shinnagata	651,122	2.7	322,000	3.6	668,400	2.7
	Total excluding LaLaport Yokohama, Shinnagata and Ginza	—	—	317,360	3.9	663,760	3.6

- Notes: 1. Daimaru Umeda store was fully expanded and reopened on April 19, 2011.
2. Daimaru Tokyo store was fully expanded and reopened on October 5, 2012.
3. Daimaru LaLaport Yokohama and Daimaru Shinnagata stores closed on January 31, 2013.
4. Matsuzakaya Ginza store will close on the last day of June 2013.