

J. FRONT RETAILING Supplementary Information to Financial Results

1. Consolidated Results of Operations (Actual and Full Year Forecast)

(Unit: Millions of yen, %)

Item	Cumulative 2Q (8/2013)		Full year forecast (2/2014)	
	Amount	YoY	Amount	YoY
1. Consolidated net sales	558,693	22.2 < 5.1 >	1,160,000	6.2 < 3.8 >
2. Consolidated gross margin	21.30 %	Change (2.47) % < (0.96) >	21.16 %	Change (1.32) % < (0.88) >
3. Consolidated gross profit	119,019	9.6 < 0.9 >	245,500	(0.0) < (0.1) >
4. Consolidated SG&A	101,093	1.6 < (1.8) >	203,000	(5.5) < (2.3) >
5. Consolidated operating income	17,925	95.8 < 25.8 >	42,500	37.7 < 15.0 >
6. Consolidated operating margin	3.2 %	Change 1.2 % < 0.4 >	3.7 %	Change 0.9 % < 0.3 >
7. Consolidated ordinary income	16,893	53.5	40,000	24.2
8. Consolidated ordinary income margin	3.0 %	Change 0.6 %	3.4 %	Change 0.5 %
9. Consolidated net income	20,464	424.0	29,000	138.0
10. Consolidated net income margin	3.7 %	Change 2.8 %	2.5 %	Change 1.4 %
11. Consolidated total assets	999,806	(9,359)	996,000	(13,165)
12. Consolidated equity	360,555	19,237	366,400	25,082
13. Consolidated equity margin	36.1 %	Change 2.3 %	36.8 %	Change 3.0 %
14. Consolidated interest-bearing debt	188,704	(24,381)	188,000	(25,085)
15. Consolidated financial balance	(416)	(105)	(1,050)	(107)
16. Number of consolidated subsidiaries	29 companies	(2) companies	29 companies	(2) companies
17. Number of equity method affiliates	8 companies	0 companies	8 companies	0 companies
18. Cash flows from operating activities	31,780	19,008	37,500	11,475
19. Cash flows from investing activities	(5,395)	65,042	(17,100)	56,877
20. Cash flows from financing activities	(27,675)	(98,310)	(31,700)	(89,975)
21. Return on equity (ROE)	5.8 %	Change 4.6 %	8.2 %	Change 4.6 %
22. Return on assets (ROA)	1.8 %	Change 0.8 %	4.2 %	Change 0.7 %
23. Return on investment (ROI)	3.1 %	Change 0.9 %	7.2 %	Change 0.7 %
24. Interest-bearing debt to equity ratio	0.52 times	Change (0.14) times	0.51 times	Change (0.11) times
25. Interest-bearing debt to cash flow ratio	5.94 times	Change (11.44) times	5.01 times	Change (3.18) times

Notes: 1. YoY changes in angle brackets exclude Parco Business and Supermarket Business.

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

3. Cumulative 2Q and full year forecast YoY changes in Items 11, 12, 13, 14, 16 and 17 are comparisons with the previous year-end.

4. The two companies excluded from consolidated subsidiaries are Peacock Stores Ltd. and Imabari Daimaru Co., Ltd.

2. Financial Results by Consolidated Company (Actual and Full Year Forecast)

(Unit: Millions of yen, %)

Company name	Capital	Ownership percentage	Business	Cumulative 2Q (8/2013)				Full year forecast (2/2014)			
				Net sales	Operating income	Ordinary income	Net income	Net sales	Operating income	Ordinary income	Net income
1. J. Front Retailing Co., Ltd.	30,000			5,052	3,774	3,852	9,828	9,000	6,300	6,300	12,200
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	10,000	100.0	Department store	330,638	7,527	6,688	428	679,000	19,600	17,400	4,700
3. The Hakata Daimaru, Inc.	3,037	69.9	Department store	27,745	933	822	460	58,600	2,670	2,380	1,220
4. The Shimonoseki Daimaru, Inc.	480	100.0	Department store	8,545	191	148	(85)	17,600	490	400	80
5. Kochi Daimaru Co., Ltd.	300	100.0	Department store	6,935	142	155	87	14,600	390	400	240
6. Parco Co., Ltd.	34,367	64.9	Shopping complex	118,332	5,750	5,741	3,346	246,000	11,800	11,600	6,350
7. Parco (Singapore) Pte Ltd	SGD 15M	64.9	Shopping complex	—	(174)	(158)	(256)	—	(398)	(367)	(465)
8. Parco Consulting (Suzhou) Co., Ltd.	70	64.9	Shopping complex	—	(20)	(27)	(27)	—	(31)	(37)	(37)
9. Neuve A Co., Ltd.	490	64.9	Specialty store	9,001	225	225	107	18,513	560	555	257
10. Parco Space Systems Co., Ltd.	490	64.9	Space engineering & management	8,992	131	146	66	17,707	231	257	99
11. Parco-City Co., Ltd.	10	64.9	Internet-related business	367	22	21	20	742	44	43	40
12. Daimaru Kogyo, Ltd.	1,800	100.0	Wholesale	31,000	560	653	409	67,300	1,900	1,980	1,240
13. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	USD 2M	100.0	Wholesale	726	6	(0)	(0)	1,700	10	0	0
14. Daimaru Kogyo (Thailand) Co., Ltd.	THB 202M	100.0	Wholesale	142	(0)	2	2	400	(10)	(10)	(10)
15. JFR Card Co., Ltd.	100	100.0	Credit	4,370	1,452	1,393	822	9,200	2,850	2,710	1,610
16. J. Front Design & Construction Co., Ltd.	100	100.0	Design & construction Manufacture & sale of furniture	15,474	402	421	220	31,200	900	920	547
17. JFR Online Co. Ltd.	100	100.0	Direct marketing	7,747	(149)	(147)	(117)	18,600	170	170	80
18. Dimples' Co., Ltd.	90	100.0	Staffing service	5,335	331	344	201	11,000	670	680	400
19. J. Front Foods Co., Ltd.	100	100.0	Restaurant	1,643	95	94	51	3,200	180	170	70
20. Daimaru COM Development Inc.	50	100.0	Real estate leasing Tenant service	936	159	150	80	1,950	290	270	140
21. Consumer Product End-Use Research Institute Co., Ltd.	450	100.0	Merchandise test Quality control	498	34	35	20	1,000	80	80	40
22. JFR Plaza Inc.	NTD 185M	90.0	General merchandise retail	40	(44)	(43)	(43)	300	(120)	(120)	(120)
23. Angel Park Co., Ltd.	400	50.2	Parking	591	319	342	213	1,150	580	620	380
24. JFR Information Center Co., Ltd.	10	100.0	Information service	2,728	251	253	110	5,338	341	345	162
25. JFR Office Support Co., Ltd.	100	100.0	Commissioned back-office services	1,081	90	101	70	2,102	108	119	72
26. JFR Service Co. Ltd.	100	100.0	Leasing Parking management	2,815	134	135	74	5,121	164	165	92
27. JFR Consulting Co. Ltd.	100	100.0	Consulting	40	12	12	19	69	12	12	17
28. Daimaru Matsuzakaya Sales Associates Co. Ltd.	90	100.0	Commissioned sales & store operations	4,554	150	144	83	9,629	326	321	173
29. Daimaru Matsuzakaya Tomonokai Co., Ltd.	100	100.0	Special repayment-based transaction	1,108	(247)	66	22	2,362	(547)	111	47
30. Central Park Building Co., Ltd.	100	100.0	(Under liquidation)	—	—	5	5	—	—	5	5

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

(Unit: Millions of yen, %)

Item	Cumulative 2Q (8/2013)		Full year forecast (2/2014)	
	Amount	YoY	Amount	YoY
1. Net sales	330,638	4.9	679,000	2.8
2. Gross margin	23.90 %	Change (0.28) %	23.78 %	Change (0.28) %
3. Gross profit	79,009	3.6	161,500	1.6
4. SG&A	71,481	1.1	141,900	(1.1)
5. Operating income	7,527	36.5	19,600	26.8
6. Operating margin	2.3 %	Change 0.6 %	2.9 %	Change 0.6 %
7. Ordinary income	6,688	34.6	17,400	22.6
8. Ordinary income margin	2.0 %	Change 0.4 %	2.6 %	Change 0.5 %
9. Net income	428	1.6	4,700	(17.2)
10. Net income margin	0.1 %	Change 0.0 %	0.7 %	Change (0.2) %
11. Total assets	378,128	(3,561)	370,900	(10,789)
12. Equity	83,265	(972)	85,400	1,163
13. Interest-bearing debt	109,845	(4,199)	109,500	(4,544)
14. Financial balance	(144)	(21)	(700)	(83)
15. Cash flows from operating activities	13,867	4,248	18,900	1,341
16. Cash flows from investing activities	(8,132)	(3,520)	(10,600)	(4,703)
17. Cash flows from financing activities	(6,397)	(1,985)	(8,900)	2,134
18. Return on equity (ROE)	0.5 %	Change 0.2 %	5.5 %	Change 0.3 %
19. Return on assets (ROA)	2.0 %	Change 0.6 %	5.2 %	Change 1.2 %
20. Return on investment (ROI)	3.4 %	Change 1.0 %	8.9 %	Change 1.9 %

Notes: 1. Net income, operating income and ordinary income are used to calculate ROE, ROA and ROI, respectively.

2. Cumulative 2Q and full year forecast YoY changes in Items 11, 12 and 13 are comparisons with the previous year-end.

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

(Unit: Millions of yen, %)

Store	Term	Cumulative 2Q (8/2013)		Full year forecast (2/2014)	
		Amount	YoY	Amount	YoY
Daimaru	Osaka Shinsaibashi	40,138	(1.0)	83,010	0.0
	Osaka Umeda	29,386	(4.8)	62,100	(1.2)
	Tokyo	32,423	35.6	65,740	14.9
	Urawa Parco	2,100	4.3	4,380	5.0
	Kyoto	33,245	0.7	69,070	0.8
	Yamashina	2,136	(0.2)	4,330	(1.0)
	Kobe	40,162	1.7	83,890	1.3
	Suma	5,131	6.6	10,710	7.2
	Ashiya	3,736	0.0	7,670	0.5
	Sapporo	28,494	5.0	60,470	5.9
	Total	216,954	2.3	451,370	1.0
Matsuzakaya	Nagoya	59,848	11.5	123,726	9.3
	Ueno	24,170	(1.6)	52,030	6.0
	Shizuoka	11,105	3.0	23,640	5.0
	Takatsuki	4,803	(0.2)	9,900	0.0
	Toyota	4,201	3.7	8,780	2.5
	Ginza	9,554	81.9	9,554	(6.8)
	Total	113,683	10.2	227,630	6.6
	Total	330,638	4.9	679,000	2.8
	Total excluding LaLaport Yokohama, Shinnagata and Matsuzakaya Ginza	321,084	5.1	669,446	4.5

Notes: 1. Daimaru Tokyo store was fully expanded and reopened on October 5, 2012.

2. Daimaru LaLaport Yokohama and Daimaru Shinnagata stores closed on January 31, 2013.

3. Matsuzakaya Ginza store closed on June 30, 2013.