

October 7, 2014

**Consolidated Financial Results for the First Six Months of
the Fiscal Year Ending February 28, 2015
<under Japanese GAAP>**

Company name: **J. FRONT RETAILING Co., Ltd.**
 Listing: First Section of the Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities code: 3086
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Scheduled date to file Quarterly Securities Report: October 10, 2014
 Scheduled date to commence dividend payments: November 10, 2014
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated performance for the first six months of the fiscal year ending February 28, 2015 (from March 1, 2014 to August 31, 2014)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2014	557,625	(0.2)	18,406	2.7	17,909	6.0	7,801	(61.9)
August 31, 2013	558,693	22.2	17,925	95.8	16,893	53.5	20,464	424.0

Note: Comprehensive income

For the six months ended August 31, 2014: ¥9,348 million [(59.6)%]
 For the six months ended August 31, 2013: ¥23,155 million [562.6%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
August 31, 2014	29.56	29.56
August 31, 2013	77.49	77.48

* The Company has conducted a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014. Net income per share and diluted net income per share have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
August 31, 2014	1,000,636	427,960	37.5
February 28, 2014	998,730	422,215	37.1

Reference: Equity

As of August 31, 2014: ¥374,852 million

As of February 28, 2014: ¥370,173 million

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2014	–	5.00	–	6.00	11.00
Fiscal year ending February 28, 2015	–	6.00			
Fiscal year ending February 28, 2015 (Forecast)			–	12.00	–

Note: Revisions to the forecast of cash dividends most recently announced: None

* The Company has conducted a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014. Consequently, the impact of this consolidation of shares is factored into the figures for the fiscal year-end cash dividends per share for the fiscal year ending February 28, 2015 (Forecast), and the total figures for annual cash dividends are omitted.

The fiscal year-end cash dividends per share for the fiscal year ending February 28, 2015 (Forecast) without the consolidation of shares factored in would be ¥6, and the annual cash dividends per share would be ¥12.

For the details, please refer to “Proper use of earnings forecasts, and other special matters.”

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2015 (from March 1, 2014 to February 28, 2015)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2015	1,161,000	1.3	43,000	2.8	41,000	1.2	19,000	(39.8)	71.99

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

* Because the Company has conducted a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014, the impact of this consolidation of shares is factored into the net income per share in the consolidated earnings forecasts for the fiscal year ending February 28, 2015.

For the details, please refer to “Proper use of earnings forecasts, and other special matters.”

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - Changes in accounting policies due to other reasons: None
 - Changes in accounting estimates: None
 - Restatement of prior period financial statements after error corrections: None

(4) Number of issued shares (common shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2014	268,119,164 shares
As of February 28, 2014	268,119,164 shares

- b. Number of shares of treasury shares at the end of the period

As of August 31, 2014	4,200,279 shares
As of February 28, 2014	4,186,297 shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the six months ended August 31, 2014	263,926,520 shares
For the six months ended August 31, 2013	264,088,834 shares

* The Company has conducted a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014. Total number of issued shares at the end of the period, number of shares of treasury shares at the end of the period and average number of shares during the period have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

*** Indication regarding execution of quarterly review procedures**

At the time of disclosure of this quarterly financial results report, the review procedures for quarterly financial statements pursuant to the Financial Instruments and Exchange Act are incomplete.

*** Proper use of earnings forecasts, and other special matters**

(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 and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially due to various factors. Please refer to “Explanation of consolidated earnings forecasts and other forward-looking statements” on page 5 of the material attached to this quarterly financial results report for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(Cash dividend forecast and consolidated earnings forecasts following the consolidation of shares)

The Company has changed the number of shares per unit from 1,000 shares to 100 shares and conducted a consolidation of its common shares at a rate of one share for every two shares with the effective date of September 1, 2014, following the approval and adoption of proposals for the change in the number of shares per unit and the consolidation of shares at the 7th general shareholders meeting held on May 22, 2014. In accordance with this, the cash dividend forecast and consolidated earnings forecasts for the fiscal year ending February 28, 2015, calculated without factoring in the consolidation of shares are as follows.

1. Cash dividend forecast for the fiscal year ending February 28, 2015

Cash dividends per share

Second quarter-end: ¥6 (Note 1)

Fiscal year-end: ¥6 (Note 2)

2. Consolidated earnings forecasts for the fiscal year ending February 28, 2015

Net income per share

Fiscal year-end: ¥35.99

Note 1: Cash dividends per share for the second quarter-end will be paid in accordance with the number of shares before the consolidation of shares.

Note 2: This is the amount of cash dividends calculated without factoring in the consolidation of shares.

Note 3: Annual cash dividends for the fiscal year ending February 28, 2015 (without factoring in the consolidation of shares) will be ¥12.

(How to obtain supplementary material on quarterly financial results)

Supplementary material on quarterly financial results was disclosed on the same day on TDnet.

[Attached Material]

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1. Qualitative information regarding results for the first six months

(1) Explanation of operating results

In the six months ended August 31, 2014 (from March 1, 2014 to August 31, 2014), the Japanese economy saw some unsteadiness and weakness including an increase in personal consumption caused by a demand surge ahead of a consumption tax hike in April 2014 and a decrease caused by the subsequent demand pullback. Nevertheless, there continued to be a moderate tone of recovery mainly reflecting signs of improvement in corporate earnings and the employment situation partly due to the effects of the economic and financial policies of the government and the Bank of Japan.

In the department store sector, there was a substantial increase in net sales in March centered on durable items and highly priced items on the back of the surge in demand ahead of the consumption tax hike. In April, there was a substantial decrease in net sales resulting from the subsequent demand pullback. Although the extent of the decline lessened month by month, this improvement remained moderate due to the impact of poor weather such as heavy rain and typhoons.

Amid this environment, with the aim of developing as a multi-channel retailer operating multiple businesses with department stores at their core, the J. Front Retailing Group (hereinafter the “Group”) worked to further strengthen the competitiveness and profitability of existing businesses while also investing management resources in fields of growth in a focused manner.

In the Department Store Business, the Group accelerated its efforts to establish “A new department store business model” that brings innovation to the sector by such means as creating appealing stores that attract a wide range of customers and constructing a highly profitable store management structure. As a part of these initiatives, the Group completed the first renewal of the food floor of the Daimaru Kyoto store for ten years and in June held the grand opening of the first Tokyu Hands in the Kyoto area as a new store located in the vicinity. The Group also undertook similar initiatives to improve the appeal of all of its stores and enhance their competitiveness in all regions.

Furthermore, construction started in April 2014 for the urban redevelopment project in the Ginza 6-chome district with the aim of starting operations in 2016. The South Wing of the Matsuzakaya Ueno store was closed in March 2014 and rebuilding work started with the aim of opening the building in 2017. The refurbished Main Building was opened as a highly convenient department store offering products and services that are tailored to the lifestyles of nearby residents.

In the PARCO Business, work was undertaken at the Fukuoka PARCO in preparation for the opening of the new building in November 2014 and an increase in floor space in the adjacent building in spring 2015. Moreover, in March 2014 PARCO Co., Ltd. took the decision to open a “new commercial facility” in the area around the west exit of Sendai station and pressed ahead with the development project with a view to starting operations in 2016.

Regarding the promotion of omni-channel retailing, the Group pushed ahead with work to expand the brands and items handled in “Click & Collect,” through which customers can collect products they have ordered on the internet at home or at their preferred physical store.

With respect to overseas operations, work was steadily undertaken for the fully fledged joint establishment and operation of an upscale department store in Shanghai, China, with a view to starting operations in January 2015. At JFR PLAZA, which operates general retailing stores “PLAZA TOKYO” in Taiwan, work was undertaken with a view to opening another three stores in autumn 2014.

The Group also worked to construct a stronger operating structure by pushing ahead with reform of its organizational and workforce structures on a Group level. In parallel, the Group strove to improve management efficiencies by such means as reviewing all cost structures.

As a result of various measures including those mentioned above, in the six months ended August 31, 2014, consolidated net sales was ¥557,625 million, down 0.2% year on year, operating income was ¥18,406 million, up 2.7%, ordinary income was ¥17,909 million, up 6.0%, and net income was ¥7,801 million, down 61.9% reflecting the absence of gain on sales of shares of subsidiaries and associates recorded in the previous fiscal year.

Results by segment are as follows.

<Department Store Business>

In March, sales were strong, particularly for highly priced items, backed by the surge in demand ahead of the consumption tax hike. In April and May the subsequent demand pullback was significant, while from June there was a gradual recovery. Even so, store sales struggled partly because of several instances of poor weather.

We had a renewal grand opening of the Matsuzakaya Ueno store as a one-building store just operating in the Main Building on March 12, 2014, in order to rebuild the South Wing. The store has been set up to have a focus on local customers in the senior citizen market. We also made it into a store that customers will regard as a department store especially for them through enhancement of not only the product lineup at the store but also the services it provides.

At the Daimaru Kyoto store, in June we renewed the food floor for the first time in ten years. In addition to “Table Plus,” our specialty food zone that has attracted popularity at the Daimaru Kobe store and the Matsuzakaya Nagoya store, we opened shops including Japan’s first multi-line shop offering groceries, gifts and prepared foods from the Kyoto Kitcho restaurant, and some openings for the first time in Kansai or Kyoto area, such as “Kayanoya.” Furthermore, on June 19 we opened the first Tokyu Hands in the Kyoto area as a new store located in the vicinity.

In addition, as the result of efforts to strengthen our product lineup and services for tourists from overseas, sales of tax-exempted products increased substantially. We also worked intensively to cultivate new customers through efforts by the sales team targeting regular customers and to encourage subscriptions to our cards in stores.

As a result of various initiatives including those mentioned above, net sales in this business was ¥368,373 million, down 1.5% year on year, and operating income was ¥8,706 million, up 0.2%.

<PARCO Business>

In the mainstay shopping center business, we took the decision to open a “new commercial facility” in the area around the west exit of Sendai station and to expand operations into a new building planned for construction on a plot of land next to the Nagoya PARCO as part of our efforts to expand the network of business bases in city centers, while also pushing ahead with works for openings of the new building of Fukuoka PARCO and Nagoya ZERO GATE in autumn 2014.

In addition, we carried out successful refurbishments at existing PARCO stores, particularly in urban stores, while the shopping complex business was also strong reflecting such efforts as new store openings and enhancement of sales promotion measures. As a result, net sales in this business was ¥133,165 million, up 1.5% year on year, and operating income was ¥6,192 million, up 5.9%.

<Wholesale Business>

Despite sales growth in the field of chemical products, sales in the fields of electronic devices and consumer goods were weak. As a result, net sales in this business was ¥28,321 million, down 9.2% year on year, and operating income was ¥506 million, down 9.4% year on year.

<Credit Business>

In this business, member store fees increased substantially as a result of making Daimaru Matsuzakaya Department Stores' Customer Gold Card into a credit card. As a result, net sales in this business was ¥5,230 million, up 19.7% year on year, and operating income was ¥1,791 million, up 23.4%.

<Other Businesses>

In Other Businesses, net sales was ¥48,088 million, up 9.5% year on year, as a result of Forest becoming a consolidated subsidiary. Despite this increase, operating income was ¥1,225 million, down 20.5% year on year, due to a decline in profits at J. Front Design & Construction reflecting the absence of large-scale refurbishment sales that occurred in the previous fiscal year.

(2) Explanation of financial position

Total assets as of August 31, 2014 was ¥1,000,636 million, an increase of ¥1,906 million compared with February 28, 2014. Total liabilities was ¥572,675 million, a decrease of ¥3,840 million. Total net assets was ¥427,960 million, an increase of ¥5,745 million compared with February 28, 2014.

(Cash flow position)

The balance of cash and cash equivalents (hereinafter “cash”) as of August 31, 2014 amounted to ¥27,741 million, down ¥3,534 million compared with February 28, 2014.

Cash flow positions in the six months ended August 31, 2014 and the factors for these were as follows.

A. Net cash provided by (used in) operating activities

Net cash provided by operating activities was ¥25,254 million. In comparison with the six months ended August 31, 2013, cash provided decreased by ¥6,526 million, mainly due to the absence of compensation for redevelopment of the Matsuzakaya Ginza store received in the previous fiscal year.

B. Net cash provided by (used in) investing activities

Net cash used in investing activities was ¥8,703 million. In comparison with the six months ended August 31, 2013, cash used increased by ¥3,308 million because of the absence of the proceeds from sales of shares of subsidiaries, despite a decrease in expenditure on acquisition of non-current assets.

C. Net cash provided by (used in) financing activities

Net cash used in financing activities was ¥20,092 million. In comparison with the six months ended August 31, 2013, cash used decreased by ¥7,583 million, while the repayments of loans payable were made.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

In light of earnings in the six months ended August 31, 2014, the consolidated earnings forecasts for the fiscal year ending February 28, 2015, which were announced in the consolidated financial results released on April 10, 2014, have been changed. In our revised forecasts, we project net sales of ¥1,161,000 million. Our forecasts for operating income, ordinary income and net income are unchanged.

2. Matters regarding summary information (Notes)

(1) Changes in significant subsidiaries during the period

No items to report

(2) Application of special accounting for preparing quarterly consolidated financial statements

No items to report

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

No items to report

3. Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of February 28, 2014	As of August 31, 2014
Assets		
Current assets		
Cash and deposits	34,728	30,509
Notes and accounts receivable - trade	66,265	72,654
Securities	400	854
Inventories	29,690	28,172
Deferred tax assets	11,663	12,079
Other	32,502	30,272
Allowance for doubtful accounts	(221)	(206)
Total current assets	175,031	174,336
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	183,380	181,611
Land	349,701	349,704
Construction in progress	115,273	118,645
Other, net	5,199	5,014
Total property, plant and equipment	653,554	654,974
Intangible assets		
Goodwill	2,638	2,321
Other	40,825	40,823
Total intangible assets	43,463	43,145
Investments and other assets		
Investment securities	39,792	39,375
Long-term loans receivable	1,537	1,524
Lease and guarantee deposits	65,566	65,399
Deferred tax assets	3,074	3,561
Other	19,289	20,863
Allowance for doubtful accounts	(2,651)	(2,602)
Total investments and other assets	126,608	128,122
Total non-current assets	823,626	826,242
Deferred assets		
Bond issuance cost	72	57
Total deferred assets	72	57
Total assets	998,730	1,000,636

(Millions of yen)

	As of February 28, 2014	As of August 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	86,501	93,126
Short-term loans payable	31,265	27,309
Commercial papers	32,192	26,993
Income taxes payable	4,999	6,387
Advances received	18,651	19,172
Gift certificates	37,853	37,898
Provision for bonuses	5,710	5,608
Provision for directors' bonuses	201	-
Provision for sales returns	27	24
Provision for books unsold	129	129
Provision for sales promotion expenses	736	721
Reserve for gift certificates	12,331	12,755
Provision for loss on business liquidation	94	-
Provision for loss on stores rebuilding	-	1,320
Other	52,429	55,082
Total current liabilities	283,124	286,528
Non-current liabilities		
Bonds payable	24,000	24,000
Long-term loans payable	100,492	93,639
Deferred tax liabilities	104,890	106,357
Deferred tax liabilities for land revaluation	1,279	1,279
Provision for retirement benefits	17,049	17,062
Provision for directors' retirement benefits	56	43
Provision for loss on stores rebuilding	1,320	-
Other	44,300	43,763
Total non-current liabilities	293,390	286,146
Total liabilities	576,515	572,675
Net assets		
Shareholders' equity		
Capital stock	30,000	30,000
Capital surplus	209,557	209,557
Retained earnings	134,178	138,811
Treasury shares	(6,343)	(6,362)
Total shareholders' equity	367,392	372,006
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,357	2,453
Deferred gains or losses on hedges	(25)	(3)
Foreign currency translation adjustment	449	395
Total accumulated other comprehensive income	2,780	2,845
Subscription rights to shares	15	15
Minority interests	52,025	53,093
Total net assets	422,215	427,960
Total liabilities and net assets	998,730	1,000,636

**(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income - cumulative)**

(Millions of yen)

	Six months ended August 31, 2013	Six months ended August 31, 2014
Net sales	558,693	557,625
Net sales of goods	553,635	552,528
Rent income of real estate	5,058	5,096
Cost of sales	439,674	438,647
Cost of goods sold	436,684	435,634
Cost of real estate rent	2,989	3,012
Gross profit	119,019	118,978
Selling, general and administrative expenses	101,093	100,572
Operating income	17,925	18,406
Non-operating income		
Interest income	202	191
Dividend income	319	305
Gain on adjustment of account payable	1,601	1,548
Share of profit of entities accounted for using equity method	–	304
Other	411	363
Total non-operating income	2,534	2,714
Non-operating expenses		
Interest expenses	937	769
Loss on retirement of non-current assets	468	142
Provision of reserve for redemption of gift certificates	1,777	1,747
Share of loss of entities accounted for using equity method	53	–
Other	328	551
Total non-operating expenses	3,566	3,211
Ordinary income	16,893	17,909
Extraordinary income		
Gain on sales of investment securities	15	198
Gain on sales of shares of subsidiaries and associates	18,479	–
Compensation income	4,510	–
Total extraordinary income	23,005	198
Extraordinary losses		
Loss on disposal of non-current assets	1,840	1,324
Loss on valuation of investment securities	25	19
Impairment loss	629	88
Loss on stores rebuilding	3,122	–
Business structure improvement expenses	3,421	–
Loss on liquidation of business	97	–
Construction indemnification expenses	–	650
Other	579	52
Total extraordinary losses	9,716	2,134
Income before income taxes and minority interests	30,181	15,973
Income taxes - current	7,264	6,109
Income taxes - deferred	1,032	515
Total income taxes	8,297	6,625
Income before minority interests	21,884	9,347
Minority interests in income	1,420	1,545
Net income	20,464	7,801

(Consolidated statement of comprehensive income - cumulative)

(Millions of yen)

	Six months ended August 31, 2013	Six months ended August 31, 2014
Income before minority interests	21,884	9,347
Other comprehensive income		
Valuation difference on available-for-sale securities	1,038	40
Deferred gains or losses on hedges	(47)	27
Foreign currency translation adjustment	216	(55)
Share of other comprehensive income of entities accounted for using equity method	63	(11)
Total other comprehensive income	1,270	0
Comprehensive income	23,155	9,348
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	21,649	7,866
Comprehensive income attributable to minority interests	1,505	1,481

(3) Consolidated statement of cash flows

(Millions of yen)

	Six months ended August 31, 2013	Six months ended August 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	30,181	15,973
Depreciation	8,888	8,713
Impairment loss	2,436	88
Amortization of goodwill	174	316
Increase (decrease) in allowance for doubtful accounts	(463)	(64)
Increase (decrease) in provision for bonuses	(87)	(303)
Increase (decrease) in provision for retirement benefits	(2,353)	13
Increase (decrease) in provision for sales promotion expenses	15	(14)
Increase (decrease) in provision for loss on business liquidation	27	(94)
Increase (decrease) in reserve for gift certificates	446	423
Increase (decrease) in provision for loss on stores rebuilding	1,320	–
Interest and dividend income	(521)	(497)
Interest expenses	937	769
Share of (profit) loss of entities accounted for using equity method	53	(304)
Loss (gain) on disposal of non-current assets	1,840	1,324
Loss (gain) on sales of investment securities	4	(198)
Loss (gain) on valuation of investment securities	25	19
Compensation income	(4,510)	–
Loss (gain) on sales of shares of subsidiaries and associates	(18,479)	–
Decrease (increase) in notes and accounts receivable - trade	(5,295)	(6,389)
Decrease (increase) in inventories	(290)	1,518
Increase (decrease) in notes and accounts payable - trade	8,364	6,625
Decrease (increase) in accounts receivable - other	(1,088)	(1,384)
Decrease (increase) in long-term prepaid expenses	12	(117)
Other, net	3,818	3,981
Subtotal	25,458	30,395
Interest and dividend income received	475	467
Interest expenses paid	(903)	(786)
Income taxes paid	(9,434)	(5,610)
Income taxes refund	9,950	788
Payments for cancellation of rental contracts	(999)	–
Proceeds from compensation	7,233	–
Net cash provided by (used in) operating activities	31,780	25,254

(Millions of yen)

	Six months ended August 31, 2013	Six months ended August 31, 2014
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(1,097)	(415)
Proceeds from sales of short-term and long-term investment securities	1,110	847
Purchase of property, plant and equipment and intangible assets	(40,497)	(12,090)
Proceeds from sales of property, plant and equipment and intangible assets	0	14
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	27,649	–
Decrease (increase) in short-term loans receivable	10	(5)
Payments of long-term loans receivable	(5)	(10)
Collection of long-term loans receivable	104	24
Other, net	7,330	2,932
Net cash provided by (used in) investing activities	(5,395)	(8,703)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(35,600)	(3,850)
Net increase (decrease) in commercial papers	6,992	(5,199)
Proceeds from long-term loans payable	15,500	–
Repayments of long-term loans payable	(10,778)	(6,957)
Redemption of bonds	(500)	–
Purchase of treasury shares	(74)	(25)
Cash dividends paid	(2,364)	(3,153)
Cash dividends paid to minority shareholders	(414)	(414)
Other, net	(435)	(492)
Net cash provided by (used in) financing activities	(27,675)	(20,092)
Effect of exchange rate change on cash and cash equivalents	33	5
Net increase (decrease) in cash and cash equivalents	(1,257)	(3,534)
Cash and cash equivalents at beginning of period	34,576	31,276
Cash and cash equivalents at end of period	33,319	27,741

(4) Notes on quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report

(Notes on significant changes in the amount of shareholders' equity)

No items to report

(Segment information, etc.)

<Segment information>**I. Six months ended August 31, 2013 (from March 1, 2013 to August 31, 2013)**

1. Net sales and profit/loss by reportable segment

(Millions of yen)

	Department Store Business	PARCO Business	Wholesale Business	Credit Business	Other Businesses	Total	Adjustments (Note 1)	Amounts on the consolidated statement of income (Note 2)
Net sales								
(1) External sales	373,327	131,157	27,252	2,345	24,588	558,671	22	558,693
(2) Inter-segment sales or transfers	536	103	3,929	2,024	19,316	25,911	(25,911)	–
Total sales	373,864	131,261	31,182	4,370	43,904	584,583	(25,889)	558,693
Segment profits	8,685	5,846	558	1,452	1,541	18,084	(158)	17,925

Notes: 1. The ¥158 million deducted from segment profits as adjustment includes ¥1,119 million in inter-segment eliminations and a deduction of ¥1,277 million in corporate expenses not attributable to any reportable segment. Corporate expenses are mainly expenses of the company submitting quarterly consolidated financial statements that are not attributable to any reportable segment.

2. Segment profits are adjusted to operating income in the consolidated statement of income.

2. Impairment loss on non-current assets and goodwill, etc. by reportable segment

(Significant impairment loss on non-current assets)

(Millions of yen)

	Department Store Business	PARCO Business	Wholesale Business	Credit Business	Other Businesses	Total	Corporate and elimination	Total
Impairment loss	2,346	23	–	–	66	2,436	–	2,436

(Significant change in amount of goodwill)

No items to report

(Significant gain on bargain purchase)

Information has been omitted owing to lack of materiality.

II. Six months ended August 31, 2014 (from March 1, 2014 to August 31, 2014)

1. Net sales and profit/loss by reportable segment

(Millions of yen)

	Department Store Business	PARCO Business	Wholesale Business	Credit Business	Other Businesses	Total	Adjustments (Note 1)	Amounts on the consolidated statement of income (Note 2)
Net sales								
(1) External sales	367,924	133,016	24,495	2,587	29,600	557,625	–	557,625
(2) Inter-segment sales or transfers	448	148	3,826	2,642	18,488	25,553	(25,553)	–
Total sales	368,373	133,165	28,321	5,230	48,088	583,178	(25,553)	557,625
Segment profits	8,706	6,192	506	1,791	1,225	18,422	(16)	18,406

Notes: 1. The ¥16 million deducted from segment profits as adjustment includes ¥1,332 million in inter-segment eliminations and a deduction of ¥1,349 million in corporate expenses not attributable to any reportable segment. Corporate expenses are mainly expenses of the company submitting quarterly consolidated financial statements that are not attributable to any reportable segment.

2. Segment profits are adjusted to operating income in the consolidated statement of income.

2. Impairment loss on non-current assets and goodwill, etc. by reportable segment

(Significant impairment loss on non-current assets)

Information has been omitted owing to lack of materiality.

(Significant change in amount of goodwill)

No items to report

(Significant gain on bargain purchase)

No items to report