

J. FRONT RETAILING Supplementary Information to Financial Results

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

(Unit: Millions of yen, %)

Item	Six months ended Aug 31, 2015		Full year ending Feb 29, 2016	
	Amount	YoY	Amount	YoY
1. Consolidated net sales	573,310	2.8	1,180,000	2.7
2. Consolidated gross margin	21.00 %	Change (0.34) %	21.00 %	Change (0.20) %
3. Consolidated gross profit	120,377	1.2	247,800	1.7
4. Consolidated SGA	98,664	(1.9)	200,800	(0.4)
5. Consolidated operating income	21,713	18.0	47,000	11.5
6. Consolidated operating margin	3.8 %	Change 0.5 %	4.0 %	Change 0.3 %
7. Consolidated ordinary income	23,071	28.8	46,500	14.9
8. Consolidated ordinary income margin	4.0 %	Change 0.8 %	3.9 %	Change 0.4 %
9. Consolidated net income	15,008	92.4	25,500	27.7
10. Consolidated net income margin	2.6 %	Change 1.2 %	2.2 %	Change 0.5 %
11. Consolidated total assets	1,024,883	6,388	1,038,000	19,505
12. Consolidated equity	381,247	5,361	388,400	12,514
13. Consolidated equity margin	37.2 %	Change 0.3 %	37.4 %	Change 0.5 %
14. Consolidated interest-bearing debt	179,714	11,256	188,000	19,542
15. Consolidated financial balance	(257)	14	(800)	(126)
16. Number of consolidated subsidiaries	29 companies	0 companies	29 companies	0 companies
17. Number of equity method associates	9 companies	1 companies	10 companies	2 companies
18. Cash flows from operating activities	19,144	(6,110)	29,000	(15,650)
19. Cash flows from investing activities	(28,853)	(20,150)	(42,000)	(25,728)
20. Cash flows from financing activities	1,933	22,025	6,000	33,587
21. Return on equity (ROE)	4.0 %	Change 1.9 %	6.7 %	Change 1.3 %
22. Return on assets (ROA)	2.1 %	Change 0.3 %	4.6 %	Change 0.4 %
23. Return on investment (ROI)	4.2 %	Change 1.0 %	8.3 %	Change 1.0 %
24. Interest-bearing debt to equity ratio	0.47 times	Change 0.01 times	0.48 times	Change 0.03 times
25. Interest-bearing debt to cash flow ratio	9.39 times	Change 2.58 times	6.48 times	Change 2.71 times

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

2. YoY changes for six months ended Aug 31, 2015 and full year ending Feb 29, 2016 in Items 11, 12, 13, 14, 16 and 17 are comparisons with the previous year-end.

3. Mainly as the inventory valuation method of Daimaru Matsuzakaya Department Stores Co. Ltd. has been changed to the specific identification method from the first quarter of the current fiscal year, the change has been applied retrospectively to all financial data.

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

(Unit: Millions of yen, %)

Company name	Capital	Ownership percentage	Business	Six months ended Aug 31, 2015				Full year ending Feb 29, 2016			
				Net sales	Operating income	Ordinary income	Net income	Net sales	Operating income	Ordinary income	Net income
1. J. Front Retailing Co., Ltd.	30,000			6,258	4,802	4,811	3,192	12,200	9,200	9,220	7,500
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	10,000	100.0	Department store	332,378	11,275	10,801	1,802	683,400	25,000	23,200	8,100
3. The Hakata Daimaru, Inc.	3,037	69.9	Department store	27,063	873	690	276	56,800	2,490	2,140	1,026
4. The Shimonoseki Daimaru, Inc.	480	100.0	Department store	7,714	134	95	41	15,700	390	284	97
5. Kochi Daimaru Co., Ltd.	300	100.0	Department store	6,386	91	102	44	13,300	270	284	149
6. Parco Co., Ltd.	34,367	64.9	Shopping complex	123,232	6,181	6,201	3,463	257,200	11,900	11,700	6,500
7. Parco (Singapore) Pte Ltd	SGD 4M	64.9	Shopping complex	—	(32)	(31)	(31)	—	(100)	(100)	(100)
8. Neuve A Co., Ltd.	490	64.9	Specialty store	10,395	318	319	137	21,546	683	683	318
9. Parco Space Systems Co., Ltd.	490	64.9	Space engineering & management	10,429	203	213	(96)	19,908	412	433	25
10. Parco-City Co., Ltd.	10	64.9	Internet-related business	387	18	18	16	874	24	24	22
11. Daimaru Kogyo, Ltd.	1,800	100.0	Wholesale	30,746	696	737	477	61,800	1,405	1,442	934
12. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	USD 2M	100.0	Wholesale	1,694	37	43	32	2,894	54	60	45
13. Daimaru Kogyo (Thailand) Co., Ltd.	THB 202M	99.9	Wholesale	440	0	2	2	950	6	9	9
14. Taiwan Daimaru Kogyo, Ltd.	NTD 60M	100.0	Wholesale	27	(13)	(13)	(13)	187	(24)	(23)	(23)
15. JFR Card Co., Ltd.	100	100.0	Credit	5,064	1,322	1,264	770	10,700	3,120	2,960	1,824
16. J. Front Design & Construction Co., Ltd.	100	100.0	Design & construction Manufacture & sale of furniture	17,570	452	454	256	33,570	932	939	554
17. JFR Online Co. Ltd.	100	100.0	Direct marketing	5,088	(333)	(332)	(595)	12,138	(433)	(432)	(697)
18. Dimples' Co., Ltd.	90	100.0	Staffing service	5,757	333	335	209	11,957	623	621	384
19. J. Front Foods Co., Ltd.	100	100.0	Restaurant	1,434	23	20	12	2,814	43	39	16
20. Daimaru COM Development Inc.	50	100.0	Real estate leasing Tenant service	1,035	168	167	101	2,155	357	350	189
21. Consumer Product End-Use Research Institute Co., Ltd.	450	100.0	Merchandise test Quality control	506	45	46	26	1,031	107	109	58
22. JFR Plaza Inc.	NTD 185M	90.0	General merchandise retail	267	(101)	(105)	(105)	602	(146)	(154)	(154)
23. Forest Co., Ltd.	90	72.9	Direct marketing	6,449	45	47	28	13,299	106	110	63
24. Angel Park Co., Ltd.	400	50.2	Parking	579	324	346	222	1,159	620	658	424
25. JFR Office Support Co., Ltd.	100	100.0	Commissioned back-office service	996	74	91	57	1,999	147	178	93
26. JFR Service Co. Ltd.	100	100.0	Leasing Parking management	2,493	92	93	57	4,793	165	166	103
27. JFR Consulting Co. Ltd.	100	100.0	Consulting	102	(9)	(9)	(9)	231	10	10	9
28. JFR Information Center Co., Ltd.	10	100.0	Information service	2,390	179	180	110	4,725	265	267	160
29. Daimaru Matsuzakaya Sales Associates Co. Ltd.	90	100.0	Commissioned sales & store operations	4,911	80	78	46	9,789	237	234	136
30. Daimaru Matsuzakaya Tomonokai Co., Ltd.	100	100.0	Specified prepaid transaction service	1,138	(199)	109	(35)	2,405	(480)	109	(55)

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

(Unit: Millions of yen, %)

Item	Six months ended Aug 31, 2015		Full year ending Feb 29, 2016	
	Amount	YoY	Amount	YoY
1. Net sales	332,378	2.1	683,400	1.7
2. Gross margin	23.51 %	Change (0.18) %	23.49 %	Change (0.08) %
3. Gross profit	78,141	1.3	160,500	1.4
4. SGA	66,866	(3.9)	135,500	(2.0)
5. Operating income	11,275	48.9	25,000	24.2
6. Operating margin	3.4 %	Change 1.1 %	3.7 %	Change 0.7 %
7. Ordinary income	10,801	48.4	23,200	26.1
8. Ordinary income margin	3.2 %	Change 1.0 %	3.4 %	Change 0.7 %
9. Net income	1,802	(53.4)	8,100	(31.4)
10. Net income margin	0.5 %	Change (0.7) %	1.2 %	Change (0.6) %
11. Total assets	364,417	(1,287)	362,600	(3,104)
12. Equity	92,008	(2,860)	94,700	(168)
13. Interest-bearing debt	82,596	707	81,000	(889)
14. Financial balance	88	56	(400)	64
15. Cash flows from operating activities	6,978	(6,963)	17,000	(12,442)
16. Cash flows from investing activities	(7,606)	(2,178)	(13,000)	(7,511)
17. Cash flows from financing activities	(268)	8,159	(5,000)	19,527
18. Return on equity (ROE)	1.9 %	Change (2.4) %	8.5 %	Change (4.3) %
19. Return on assets (ROA)	3.1 %	Change 1.0 %	6.9 %	Change 1.4 %
20. Return on investment (ROI)	6.1 %	Change 2.2 %	13.2 %	Change 3.2 %

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

2. YoY changes for six months ended Aug 31, 2015 and full year ending Feb 29, 2016 in Items 11, 12 and 13 are comparisons with the previous year-end.

3. As the inventory valuation method has been changed to the specific identification method from the first quarter of the current fiscal year, the change has been applied retrospectively to all financial data.

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

(Unit: Millions of yen, %)

Store	Term	Six months ended Aug 31, 2015		Full year ending Feb 29, 2016	
		Amount	YoY	Amount	YoY
Daimaru	Osaka Shinsaibashi	46,243	15.2	89,240	5.6
	Osaka Umeda	31,818	5.2	66,520	4.1
	Tokyo	35,724	3.7	73,060	4.1
	Urawa Parco	1,915	(4.2)	3,890	(4.1)
	Kyoto	33,914	(0.5)	70,880	0.8
	Yamashina	1,950	(6.2)	4,040	(3.3)
	Kobe	40,890	(1.3)	86,250	0.3
	Suma	4,684	(5.3)	9,760	(2.9)
	Ashiya	3,492	(3.8)	7,200	(2.2)
	Sapporo	29,972	4.3	64,310	4.8
Matsuzakaya	Nagoya	61,498	0.1	126,090	0.4
	Ueno	20,957	(5.4)	42,130	(2.7)
	Shizuoka	10,766	(5.4)	22,330	(2.7)
	Takatsuki	4,522	(5.7)	9,240	(3.0)
	Toyota	4,026	(2.2)	8,460	(0.0)
Total		332,378	2.1	683,400	1.7

Note: The south wing of Matsuzakaya Ueno store closed on March 11, 2014 for rebuilding.