

J. FRONT RETAILING Supplementary Information to Financial Results【IFRS】

1. Consolidated Results of Operations

(Unit: Millions of yen, %)

Item	Three months ended May 31, 2017	Three months ended May 31, 2016	Change	
			¥M	%
1. Consolidated revenue	114,084	109,678	4,406	4.0
2. Consolidated gross profit	51,426	51,801	(375)	(0.7)
3. Consolidated SGA	40,413	41,057	(644)	(1.6)
4. Consolidated operating profit	12,992	9,500	3,492	36.8
5. Consolidated profit before income taxes	13,668	9,606	4,062	42.3
6. Consolidated profit attributable to owners of parent	8,720	7,081	1,639	23.1
7. Consolidated total assets	1,013,534	1,005,069	8,465	/
8. Equity attributable to owners of parent	374,041	368,571	5,470	
9. Equity ratio attributable to owners of parent	36.9 %	36.7 %	Change 0.2 %	
10. Consolidated interest-bearing debt	197,903	205,952	(8,049)	

Note: Results for the previous year at Items 7, 8, 9 and 10 are figures at the end of the consolidated fiscal year ended February 28, 2017.

Reference

(Unit: Millions of yen, %)

Gross sales	275,060	275,098	(38)	(0.0)
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Note: Of revenue under IFRS, sales from purchase recorded at the time of sale (*shoka shiire*) of "Department Store Business" and "Other (Daimaru Kogyo)" have been converted into gross amount and the net amount of sales of "Parco Business" into tenant transaction amount (gross amount basis) to calculate gross sales.

Business profit	11,012	10,744	268	2.5
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Note: Business profit = Operating profit under IFRS - Other operating revenue, etc. under IFRS + Other operating expenses, etc. under IFRS

2. Financial Results by Consolidated Company

(Unit: Millions of yen, %)

Company name	Capital	Ownership percentage	Business	Three months ended May 31, 2017			
				Revenue	Operating profit	Profit before income taxes	Profit
1. J. Front Retailing Co., Ltd.	30,000			6,977	6,192	6,243	6,224
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	10,000	100.0	Department store	58,800	6,949	7,165	5,094
3. The Hakata Daimaru, Inc.	3,037	69.9	Department store	4,489	475	432	297
4. The Shimonoseki Daimaru, Inc.	480	100.0	Department store	1,158	20	2	1
5. Kochi Daimaru Co., Ltd.	300	100.0	Department store	1,330	65	69	46
6. Parco Co., Ltd.	34,367	64.9	Shopping complex	14,555	3,202	3,421	2,398
7. Parco (Singapore) Pte Ltd	SGD 4M	64.9	Shopping complex	41	(16)	(16)	(16)
8. Neuve A Co., Ltd.	490	64.9	Specialty store	5,199	(18)	(20)	(9)
9. Parco Space Systems Co., Ltd.	490	64.9	Space engineering & management	5,695	323	327	222
10. Parco Digital Marketing Co., Ltd.	10	64.9	Internet-related business	188	15	15	9
11. Japan Retail Advisors Co., Ltd.	10	64.9	Real estate management Consulting	—	(0)	(0)	(0)
12. JFR Card Co., Ltd.	100	100.0	Credit and finance	2,483	821	787	542
13. Daimaru Kogyo, Ltd.	1,800	100.0	Wholesale	8,149	442	441	310
14. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	USD 2M	100.0	Wholesale	938	12	13	10
15. Daimaru Kogyo (Thailand) Co., Ltd.	THB 202M	99.9	Wholesale	205	0	1	1
16. Taiwan Daimaru Kogyo, Ltd.	NTD 60M	100.0	Wholesale	83	(5)	(5)	(5)
17. J. Front Design & Construction Co., Ltd.	100	100.0	Design & construction Manufacture & sale of furniture	9,914	152	153	110
18. Dimples' Co., Ltd.	90	100.0	Staffing service	3,073	166	167	114
19. J. Front Foods Co., Ltd.	100	100.0	Restaurant	663	(16)	(16)	(13)
20. Consumer Product End-Use Research Institute Co., Ltd.	450	100.0	Merchandise test Quality control	250	20	20	13
21. Forest Co., Ltd.	90	72.9	Direct marketing	3,358	0	0	0
22. Angel Park Co., Ltd.	400	50.2	Parking	275	153	163	112
23. JFR Service Co. Ltd.	100	100.0	Commissioned back-office service Leasing Parking management	2,059	38	53	35
24. JFR Information Center Co., Ltd.	10	100.0	Information service	1,534	127	128	88
25. Daimaru Matsuzakaya Sales Associates Co. Ltd.	90	100.0	Commissioned sales & store operations	2,402	17	17	11
26. Daimaru Matsuzakaya Tomonokai Co., Ltd.	100	100.0	Specified prepaid transaction service	61	(78)	92	63
27. JFR Plaza Inc.	NTD 185M	100.0	General merchandise retail	179	(101)	(101)	(101)
28. JFR Online Co. Ltd.	100	100.0	Direct marketing	—	50	50	50

Notes: 1. Parco-City Co., Ltd. was renamed to Parco Digital Marketing Co., Ltd. as of March 1, 2017.

2. All business of JFR Online Co. Ltd. was transferred to Feel Life Inc., a wholly owned subsidiary of Senshukai Co., Ltd., as of March 1, 2017.

3. JFR Plaza Inc. is scheduled to be dissolved as of the last day of June 2017.

3. Daimaru Matsuzakaya Department Stores Results of Operations

(Unit: Millions of yen, %)

Item	Three months ended May 31, 2017	Three months ended May 31, 2016	Change	
			¥M	%
1. Revenue	58,800	57,402	1,398	2.4
2. Gross profit	34,854	34,304	550	1.6
3. SGA	29,195	29,209	(14)	(0.0)
4. Operating profit	6,949	4,038	2,911	72.1
5. Profit before income taxes	7,165	4,178	2,987	71.5
6. Profit	5,094	2,786	2,308	82.8
7. Total assets	495,549	490,097	5,452	/
8. Equity	174,927	173,042	1,885	
9. Equity ratio	35.3 %	35.3 %	Change 0.0 %	
10. Interest-bearing debt	84,323	81,143	3,180	

Note: Results for the previous year at Items 7, 8, 9 and 10 are figures at the end of the business year ended February 28, 2017.

Reference

Gross sales	156,062	153,300	2,762	1.8
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Note: Sales from *shoka shiire* of revenue under IFRS have been converted into gross amount to calculate gross sales.

Business profit	5,659	5,095	564	11.1
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Note: Business profit = Operating profit under IFRS - Other operating revenue, etc. under IFRS + Other operating expenses, etc. under IFRS

4. Daimaru Matsuzakaya Department Stores Sales by Store

(Unit: Millions of yen, %)

Store	Term	Three months ended May 31, 2017		Three months ended May 31, 2016		Change	
		Amount	Component ratio	Amount	Component ratio	¥M	%
Daimaru	Osaka Shinsaibashi	18,246	11.9	16,973	11.1	1,273	7.5
	Osaka Umeda	14,958	9.7	15,089	9.9	(131)	(0.9)
	Tokyo	19,160	12.5	18,246	12.0	914	5.0
	Kyoto	15,804	10.3	15,838	10.4	(34)	(0.2)
	Yamashina	886	0.6	900	0.6	(14)	(1.5)
	Kobe	19,420	12.6	19,639	12.9	(219)	(1.1)
	Suma	2,085	1.4	2,138	1.4	(53)	(2.5)
	Ashiya	1,581	1.0	1,606	1.1	(25)	(1.6)
	Sapporo	14,894	9.7	14,384	9.4	510	3.5
	Urawa Parco	738	0.5	803	0.5	(65)	(8.1)
Matsuzakaya	Nagoya	26,944	17.6	27,591	18.1	(647)	(2.3)
	Ueno	9,614	6.3	10,139	6.7	(525)	(5.2)
	Shizuoka	5,282	3.4	5,092	3.3	190	3.7
	Takatsuki	2,033	1.3	2,044	1.3	(11)	(0.5)
	Toyota	1,857	1.2	1,937	1.3	(80)	(4.1)
Total		153,509	100.0	152,427	100.0	1,082	0.7

Notes: 1. As Real Estate Business has been changed to be independently managed from the current period, the portion transferred to Real Estate Business of rent income of real estate, which had been included in net sales, was deducted for the current year and previous year.

2. Daimaru Urawa Parco store is scheduled to close as of the last day of July 2017.

<Reference> Consolidated Results of Operations for Fiscal Year Ended February 28, 2017

(Unit: Millions of yen, %)

Item	Six months ended August 31, 2016	Full year ended February 28, 2017
1. Consolidated revenue	221,249	452,505
2. Consolidated gross profit	104,564	212,567
3. Consolidated SGA	82,463	167,668
4. Consolidated operating profit	21,494	41,727
5. Consolidated profit before income taxes	21,367	42,608
6. Consolidated profit attributable to owners of parent	13,849	27,052
7. Consolidated total assets	977,152	1,005,069
8. Equity attributable to owners of parent	353,403	368,571
9. Equity ratio attributable to owners of parent	36.2 %	36.7 %
10. Consolidated interest-bearing debt	201,769	205,952

Reference

(Unit: Millions of yen)

Gross sales	553,057	1,134,342
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Note: Of revenue under IFRS, sales from *shoka shiire* of "Department Store Business" and "Other (Daimaru Kogyo)" have been converted into gross amount and the net amount of sales of "Parco Business" into tenant transaction amount (gross amount basis) to calculate gross sales.

Business profit	22,101	44,898
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Note: Business profit = Operating profit under IFRS - Other operating revenue, etc. under IFRS + Other operating expenses, etc. under IFRS