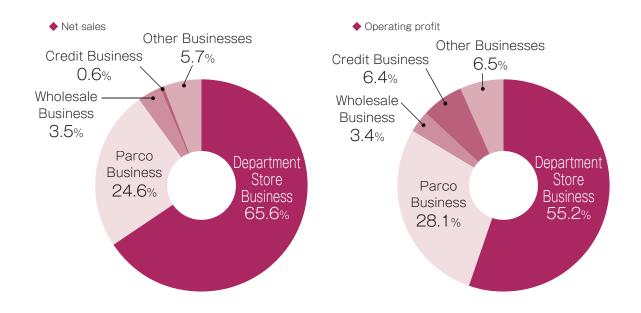
Business Overview (FY2016)

At a Glance

In the fiscal year ended February 28, 2017, consolidated net sales were ¥1,108.5 billion, down 4.7% year on year, consolidated operating profit decreased by 7.2% from a year earlier to ¥44.5 billion, and consolidated profit increased by 2.4% over the previous year to ¥26.9 billion. That resulted in an important management indicator ROE of 6.8%.

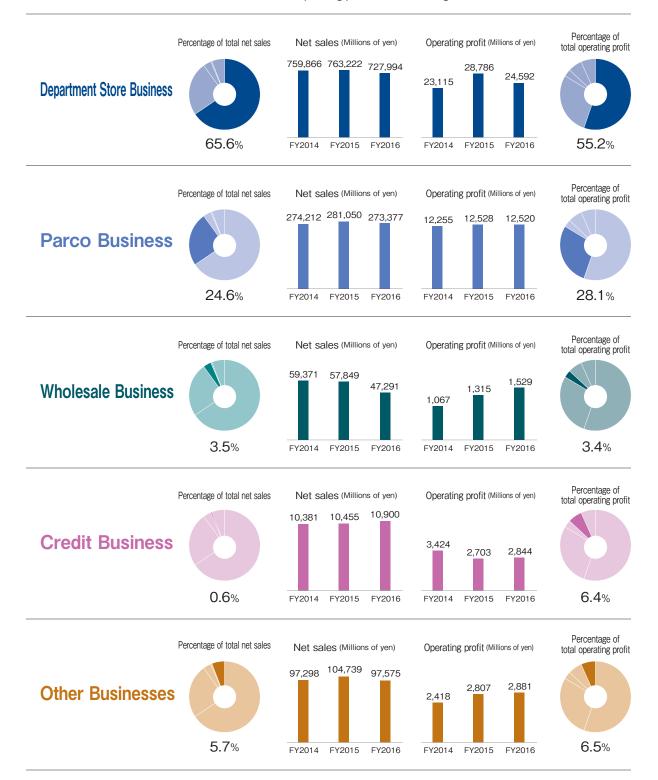
With regard to results by segment, in the Department Store Business, net sales and operating profit decreased by 4.6% and 14.6%, respectively, compared to the previous year partly due to significant decrease in sales floor area of the Shinsaibashi store for the reconstruction of its main building. In the Parco Business, net sales decreased by 2.7% year on year and operating profit slightly declined by 0.5% partly because Shibuya Parco temporarily closed in August for rebuilding and Chiba Parco closed in November. The Credit Business increased net sales and operating profit by 4.3% and 5.2%, respectively. Though the Wholesale Business and Other Businesses decreased net sales, their operating profit was up 16.3% and 2.7%, respectively, due to higher profitability.



consolidated ROE	Consolidated ROA	operating margin 4.0%
¥103.04	dividend payout ratio 27.2%	Equity ratio 38.7%

Net sales and operating profit

- The percentage of total sales represents the ratio of net sales to external customers after eliminating intersegment transactions.
- Net sales and operating profit include intersegment transactions.



^{*}From FY2017, the Group has designated "Department Store Business," "Parco Business," "Real Estate Business" and "Credit and Finance Business" as reportable segments to highlight its focus on the Real Estate Business. The "Wholesale Business" has been included in "Other."