Translation

April 9, 2013

Consolidated Financial Results for the Fiscal Year Ended February 28, 2013 <under Japanese GAAP>

Company name: **J. FRONT RETAILING Co., Ltd.**
Listing: First Section of the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange
Securities code: 3086
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Scheduled date of ordinary general shareholders meeting: May 23, 2013
Scheduled date to commence dividend payments: May 2, 2013
Scheduled date to file Annual Securities Report: May 27, 2013
Preparation of supplementary material on financial results: Yes
Holding of 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 fiscal year ended February 28, 2013 (from March 1, 2012 to February 28, 2013)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2013	1,092,756	16.1	30,857	42.9	32,202	40.4	12,183	(35.2)
February 29, 2012	941,415	(0.9)	21,594	6.3	22,941	8.8	18,804	112.2

Note: Comprehensive income
For the fiscal year ended February 28, 2013: ¥14,894 million [(21.8)%]
For the fiscal year ended February 29, 2012: ¥19,036 million [102.3%]

	Net income per share	Diluted net income per share	Net income/ equity	Ordinary income/ total assets	Operating income/ net sales
Fiscal year ended	Yen	Yen	%	%	%
February 28, 2013	23.05	23.05	3.6	3.6	2.8
February 29, 2012	35.57	35.57	5.8	3.0	2.3

Reference: Equity in earnings (losses) of affiliates
For the fiscal year ended February 28, 2013: ¥1,837 million
For the fiscal year ended February 29, 2012: ¥228 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2013	1,009,165	390,667	33.8	646.18
February 29, 2012	767,543	342,561	43.4	629.80

Reference: Equity
As of February 28, 2013: ¥341,318 million
As of February 29, 2012: ¥332,917 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2013	26,025	(73,977)	58,275	34,576
February 29, 2012	24,365	(26,781)	(6,872)	24,204

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 29, 2012	–	3.50	–	4.50	8.00	4,230	22.5	1.3
Fiscal year ended February 28, 2013	–	4.50	–	4.50	9.00	4,757	39.0	1.4
Fiscal year ending February 28, 2014 (Forecast)	–	5.00	–	5.00	10.00		18.2	

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2014 (from March 1, 2013 to February 28, 2014)

(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
First six months ending August 31, 2013	550,000	20.3	15,500	69.3	13,700	24.5	20,000	412.1	37.86
Fiscal year ending February 28, 2014	1,150,000	5.2	40,000	29.6	37,000	14.9	29,000	138.0	54.90

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly added: 1 company (PARCO Co., Ltd.)

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

a. Changes in accounting policies due to revisions to accounting standards and other regulations: None

b. Changes in accounting policies due to other reasons: None

c. Changes in accounting estimates: None

d. Restatement of prior period financial statements after error corrections: None

(3) Number of issued shares (common stock)

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

As of February 28, 2013	536,238,328 shares
As of February 29, 2012	536,238,328 shares

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

As of February 28, 2013	8,030,692 shares
As of February 29, 2012	7,629,481 shares

c. Average number of shares during the period

For the fiscal year ended February 28, 2013	528,510,196 shares
For the fiscal year ended February 29, 2012	528,622,345 shares

<Reference> Non-consolidated performance

Non-consolidated performance for the fiscal year ended February 28, 2013 (from March 1, 2012 to February 28, 2013)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2013	22,744	218.4	20,394	315.6	19,972	310.0	19,930	320.0
February 29, 2012	7,144	9.9	4,907	12.7	4,871	12.2	4,745	12.9

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
February 28, 2013	37.69	37.69
February 29, 2012	8.97	8.97

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2013	450,201	299,508	66.5	566.78
February 29, 2012	322,295	284,584	88.3	537.98

Reference: Equity
As of February 28, 2013: ¥299,492 million
As of February 29, 2012: ¥284,484 million

*** Indication regarding execution of audit procedures**

At the time of disclosure of this financial results report, the audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act are in progress.

*** 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 the section of "1. Operating results, (1) Analysis of operating results" on page 2 of the attached material for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(How to obtain supplementary material on financial results)

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

[Attached Material]

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1. Operating results

(1) Analysis of operating results

A. Operating results for the current fiscal year

In the current fiscal year, there were some signs of improvement for the Japanese economy, including a correction in the yen's appreciation and a recovery in stock prices from the end of 2012. Overall, however, the economy continued to lack strength, primarily because of a slump in exports and production resulting from economic slowdown overseas.

In the department store sector, although highly priced products continued to sell well, overall net sales were generally down year on year with the exception of March 2012, in which performance was strong in comparison with the previous March, when the Great East Japan Earthquake struck. Amid this environment, with the aim of sustainable growth and development in the future, the J. Front Retailing Group (hereinafter the "Group") worked to improve the competitiveness of its Department Store Business and strengthen Group-wide growth potential.

In order to improve the competitiveness of the Department Store Business, the Group accelerated the establishment of "A new department store business model" that brings innovation to the sector by creating appealing stores that attract a wide range of customer segments and constructing a highly productive store management structure. As part of these initiatives, Daimaru Tokyo store was transformed into a new, innovative kind of department store through an increase in its floor space in October. In addition, refurbishments of the food floor of the Daimaru Kobe store and the fashion floor of the Matsuzakaya Nagoya store were implemented in April, and the Group worked to improve the appeal of all of its stores and enhance their competitiveness in all regions.

With the aim of enhancing selling capabilities and constructing a highly productive store management structure, the consignment sales business of staffing service company Dimples' Co., Ltd. was split off, and made independent, thus establishing Daimaru Matsuzakaya Sales Associates Co. Ltd. in September.

It has been decided that the Matsuzakaya Ginza store, which will be rebuilt in accordance with the advancement of the urban redevelopment project in the Ginza 6-chome district, will close temporarily from the end of June 2013. In addition, the Daimaru Shinnagata store and the Daimaru LaLaport Yokohama store were closed at the end of January with the aim of improving management efficiency.

As a move to strengthen Group-wide growth potential through development as a multi-retailer operating multiple businesses with department stores at their core, J. FRONT RETAILING Co., Ltd. (hereinafter the "Company") made PARCO Co., Ltd. its equity method affiliate in March and its consolidated subsidiary in August. PARCO Co., Ltd. possesses considerable business knowhow in the development and management of urban commercial facilities.

On the other hand, since the performance of Peacock Stores Ltd. has continued to struggle, primarily due to recent intensification in competition, and an improvement is expected to take some time, the Company took the decision in March 2013 to transfer all of its shares in Peacock Stores Ltd. to Aeon Co., Ltd. and concentrate its management resources into more competitive businesses.

With respect to overseas operations, the Company reached basic agreement with a company in China in May regarding the fully fledged joint establishment and operation of an upscale department store in Shanghai, China. Work is steadily underway with a view to starting operations in 2015. In addition, JFR PLAZA Inc., a general retailing business established in Taiwan, opened its first store in Taipei, Taiwan, in March 2013.

In tandem with these moves, the Group worked to enhance management efficiencies by reforming its organizational and workforce structures and reviewing all cost structures, including returning leased buildings or securing rent reductions and increasing the installation of LED lighting.

As a result of various measures including those mentioned above, in addition to the contribution from the results of the PARCO Business, there were considerable increases in both sales and profits in the current fiscal year. Specifically, net sales was ¥1,092,756 million, up 16.1% year on year, operating income was ¥30,857 million, up 42.9%, and ordinary income was ¥32,202 million, up 40.4%.

Contrastingly, net income declined by 35.2% year on year to ¥12,183 million due to a substantial profit increase in the previous fiscal year from adjustment of tax expenses in line with a reduction in the corporate tax rate.

The Company has decided to pay a year-end dividend of ¥4.50 per share.
Combined with the interim dividend, this brings the annual dividend to ¥9 per share, an increase of ¥1 from the previous fiscal year.

Results by segment are as follows.
From the current fiscal year, the number of reportable segments has increased from five to six with the addition of the PARCO Business.
The results of the PARCO Business are comprised of the results from September 1, 2012 to February 28, 2013.

<Department Store Business>
At the Department Store Business, we worked to establish "A new department store business model" to realize growth amid a difficult business environment. To this end, we pushed forward with a variety of initiatives and worked to create a more productive structure.

At the Daimaru Tokyo store, where floor space was increased in October, we worked to enhance the product lineup under the concept of "department store with assortment of 'current' Tokyo" in order to attract new customer segments. An international brand zone was established in the store, the select shops were expanded, and large specialist retailers such as Tokyu Hands and ICI Ishii Sports were introduced. In addition, the "Hoppe Town" food floor, which has long been a strength of the Tokyo store, had its product lineup of packed lunches, sweets and other products enriched further. These changes realized a substantial increase in customer numbers visiting the store and an expansion in customer segments. Furthermore, the Daimaru Tokyo store is the current culmination of our work to establish "A new department store business model," as demonstrated by its highly efficient store management structure, in which the number of personnel is lower than before even though the increase in floor space has expanded the sales area.

At the Daimaru Kobe store, we carried out a complete refurbishment of the food market in the basement first floor and reopened it as a food floor that caters for the differing tastes of customers, attracts attention from customers, and provides proposal opportunities. Starting with the new establishment of "Table Plus," which proposes fashionable and abundant western food styles through the integration of grocery, delicatessen and other areas centered around a bakery, the product lineup has been enhanced with the introduction of numerous new brands, particularly western confectionery and prepared Japanese dishes.

At the Matsuzakaya Nagoya store, we carried out the first period of refurbishment centered on the fashion floor with the aim of expanding customer segments and strengthening competitiveness. In the South Wing, we introduced fast fashion brand "H&M" and popular select shops, as well as "Ufufu Girls," a specialty zone for young shoppers. In the Main Building, we refurbished the sales areas for ladies' wear, accessories, and cosmetics. For the second period, we have been carrying out a step-by-step refurbishment of the food floor since March 2013, with the grand opening scheduled for June of the same year.

Through our Original Merchandising Division, with which we aim to enhance profitability by integrating operations from buying to sale and profit and loss management, we strengthened our sales areas for hand-picked merchandise at our stores. This included the start of the exclusive sale in Japan of the Italian men's shirt brand "Camicissima" at the seven main Daimaru and Matsuzakaya stores.

We also established the Tokyo Area Out-of-Store Sales Division to enhance competitiveness in the area and pushed ahead with acquiring new customers in Tokyo and its suburbs. In addition, we strengthened sales efforts directed at existing out-of-store sales customers, including assigning staff to an event to celebrate the grand opening of the Daimaru Tokyo store following the increase in its floor space.

With respect to sales promotion activities, we held the "Daimaru Grand Festa" as a joint sales promotion at the eight Daimaru stores in the Kansai area last autumn in response to intensified competition in Umeda, Osaka. We also worked to attract more customers through timely plans that attracted attention from customers, such as joint sales promotions with PARCO, which recently became part of the Group, at the Daimaru Sapporo store, the Matsuzakaya Nagoya store, the Matsuzakaya Shizuoka store and the Hakata Daimaru Fukuoka Tenjin store.

Furthermore, we worked to enhance our service structure by such means as establishing booths at stores to provide consulting services to customers for a fee. In addition to the Daimaru Umeda store, where there is already such a booth, we established "FashionNavi" booths, which provide fashion advice, at other stores including the Matsuzakaya Nagoya store, bringing the total to four sites. We also established "CosmeNavi" booths, which provide makeup advice, at each of the Daimaru Shinsaibashi store and the Matsuzakaya Nagoya store.

As a result of various initiatives including those mentioned above, net sales in this business was ¥750,335 million, up 1.8% year on year, and operating income was ¥18,477 million, up 26.8%.

<PARCO Business>

PARCO categorizes the stores it operates nationwide into two groups in accordance with the characteristics of their catchment areas: Urban Complexes located in the centers of major urban areas, and Community Complexes located in the main cities of regional areas and suburbs of Tokyo. PARCO has worked to secure a sustainable earnings base by carrying out refurbishments and sales promotions in accordance with each of these markets.

At its Urban Complexes in areas such as Ikebukuro, Shibuya and Nagoya, PARCO has heightened the buildings' functions as sources of fashion information by offering original lifestyle propositions with an emphasis on fashionableness and innovation. Contrastingly, at its Community Complexes, PARCO has enhanced the buildings' functions of closely meeting regional needs by such means as introducing fashion brands for young people and outdoor goods stores that are tailored to the characteristics of each region in addition to stores catering to customers' daily needs.

PARCO has also pushed ahead with preparations for new complex openings in Osaka and other areas from April 2013 in its ZERO GATE business, which operates with a new business model. Under this model, PARCO develops low- to medium-rise commercial facilities in good locations in city centers and operates them efficiently in accordance with each building's location and size.

In addition, PARCO substantially increased new members and business volume for the PARCO card by enhancing the PARCO card membership service. Furthermore, events were held at the Shibuya PARCO and the Fukuoka PARCO providing young creators in fields including fashion and art with venues to exhibit and opportunities to sell their work. As well as providing an opportunity to discover new talents and support their activities, the events helped to stimulate sales at the two complexes by attracting customers.

We have started undertaking initiatives to create synergy between the PARCO Business and our various Group companies, in particular the Daimaru Matsuzakaya Department Stores, as well as employee exchanges.

As a result of the various initiatives mentioned above, net sales in this business was ¥137,845 million and operating income was ¥5,898 million.

<Supermarket Business>
With the aim of operating as a chain of community-based food supermarkets, Peacock Stores provided “Kiwami” corners displaying high-quality products that reflect Peacock’s characteristic taste in food, thus distinguishing its products from its competitors. On the other hand, it also worked to strengthen price competitiveness through the introduction of new low-priced products, so that it could attract both types of customers who prefer high-quality products and low-priced ones. In addition, we renewed the information system for the Supermarket Business in March 2012, putting in place a structure that facilitates enhanced product variety and thoroughgoing product management.

In spite of the initiatives mentioned above, net sales in this business was ¥101,778 million, down 9.6% year on year, partly due to intensified competition in store areas and the closure of two stores. In addition, there was an operating loss of ¥1,564 million, despite efforts to reduce selling, general and administrative expenses.

<Wholesale Business>
Daimaru Kogyo pressed ahead with aggressive sales activities including the cultivation of new business partners in its main fields such as metals and automobiles as well as food products. Furthermore, as a measure to capture demand in Asian regions whose economies are continuing to grow, its subsidiaries in Shanghai and Thailand worked to win more business. As a result, net sales in this business was ¥60,174 million, up 18.1% year on year, and operating income was ¥1,592 million, up 0.5%.

<Credit Business>
JFR Card worked to increase the number of card members through proactive moves to acquire new members, including the provision of an instant card issuance service using tablet devices at department stores. It also promoted the use of cards outside the Group for such purposes as the payment of utility bills and purchases at external member stores. As a result, net sales in this business was ¥8,592 million, up 4.5% year on year, and operating income was ¥2,951 million, up 29.4%.

<Other Businesses>
In Other Businesses, sales were brisk for J. Front Design & Construction both inside and outside the Group, primarily in the areas of large refurbishment projects for department stores and interior finish work for hotels and other customers. In addition, the staffing service company Dimples’ achieved growth in new contracts for services including the provision of support work for sales areas at department stores and sales work at external commercial facilities. Partly from these contributions, net sales in this business was ¥90,133 million, up 10.2% year on year, and operating income was ¥3,193 million, up 19.4%.

B. Consolidated earnings forecasts for the next fiscal year
In our full-year consolidated earnings forecasts for the fiscal year ending February 28, 2014, we project net sales of ¥1,150,000 million, up 5.2%; operating income of ¥40,000 million, up 29.6%; ordinary income of ¥37,000 million, up 14.9%; and net income of ¥29,000 million, up 138.0%.

Our forecast for net income per share is ¥54.90, up by ¥31.85 compared with the current fiscal year.

(2) Analysis of financial position

A. Position of assets, liabilities, and net assets

Total assets as of February 28, 2013 was ¥1,009,165 million, an increase of ¥241,622 million compared with February 29, 2012. Total liabilities was ¥618,497 million, an increase of ¥193,515 million. These increases were primarily the result of making PARCO Co., Ltd. a consolidated subsidiary. Interest-bearing debt was ¥213,085 million, an increase of ¥107,060 million.

Total net assets was ¥390,667 million, an increase of ¥48,106 million compared with February 29, 2012, primarily due to an increase in minority interests.

B. Cash flow position

The balance of cash and cash equivalents (hereinafter "cash") as of February 28, 2013 amounted to ¥34,576 million, up ¥10,372 million compared with February 29, 2012.

Net cash provided by operating activities was ¥26,025 million. In comparison with the previous fiscal year, although cash used increased in line with a decrease in notes and accounts payable-trade, cash provided increased by ¥1,660 million, partly due to making PARCO Co., Ltd. a consolidated subsidiary.

Net cash used in investing activities was ¥73,977 million. In comparison with the previous fiscal year, cash used increased by ¥47,196 million, partly due to the acquisition of shares in PARCO Co., Ltd.

Net cash provided by financing activities was ¥58,275 million. In comparison with the previous fiscal year, cash provided increased by ¥65,147 million, mainly due to issuance of bonds and new financing from long- and short-term loans payable.

<Reference> Trends in cash flow indicators

	Fiscal year ended February 28, 2009	Fiscal year ended February 28, 2010	Fiscal year ended February 28, 2011	Fiscal year ended February 29, 2012	Fiscal year ended February 28, 2013
Equity ratio (%)	39.6	39.1	41.0	43.4	33.8
Market value equity ratio (%)	20.5	32.5	29.1	28.2	28.7
Interest-bearing debt to cash flow ratio (%)	417.3	547.6	510.8	435.2	818.8
Interest coverage ratio (times)	13.8	14.6	12.3	16.1	14.1

Equity ratio: equity / total assets

Market value equity ratio: market capitalization / total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt / cash flow

Interest coverage ratio: cash flow / paid interest

Note 1: All indicators are calculated based on consolidated financial figures.

Note 2: Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of issued shares at the end of the period (excluding treasury stock).

Note 3: The figure used for cash flow is "net cash provided by (used in) operating activities."

Note 4: Interest-bearing debt consists of short-term loans payable, commercial papers, current portion of bonds, bonds payable and long-term loans payable recorded on the consolidated balance sheets. Furthermore, regarding the paid interest, we use the interest expenses paid recorded on the consolidated statements of cash flows.

(3) Basic policy on profit distribution and dividends for the current fiscal year and the next fiscal year

The Company's basic policy is to return profits appropriately in accordance with a targeted consolidated dividend payout ratio of 30%, with the aim of maintaining and enhancing the Company's sound financial standing while keeping profit levels, future capital investment, cash flow trends and other such factors in consideration. The Company also considers carrying out purchases of its own shares as appropriate in accordance with such aims as improving capital efficiency and implementing a flexible capital policy.

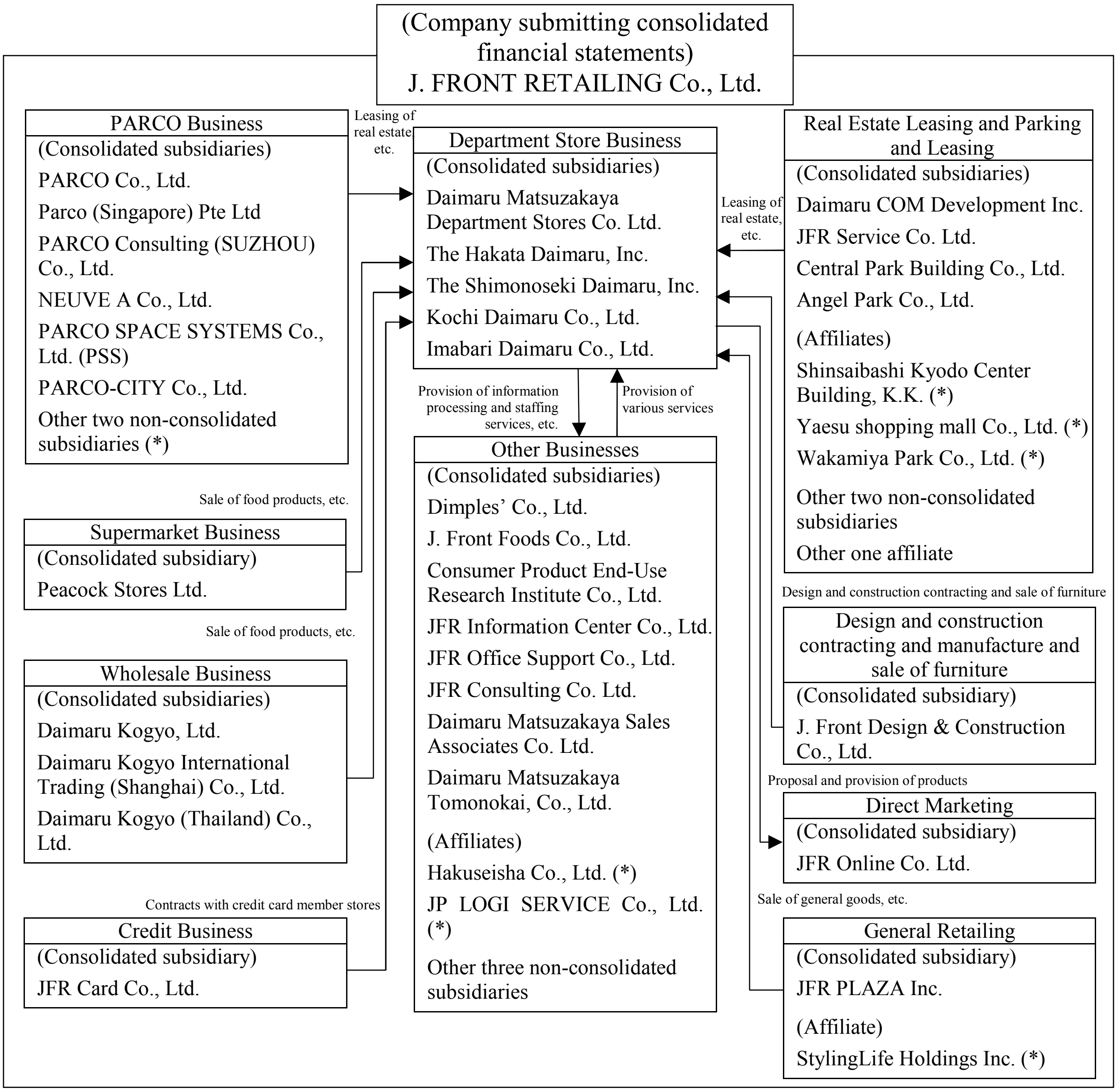
With respect to internal reserves, the Company intends to enhance corporate value by using them for such purposes as investing in store refurbishments and business expansions to strengthen sales, as well as strengthening the Company's financial standing.

The Company has decided to pay an annual dividend of ¥9 per share in the current fiscal year, comprising of an interim dividend and a year-end dividend, both of ¥4.50 per share.

For the next fiscal year, the Company plans to pay an annual dividend of ¥10 per share, comprising of an interim dividend and a year-end dividend, both of ¥5 per share.

2. Overview of the corporate group

The corporate group consists of the Company, 38 subsidiaries and seven affiliates. Its principal business is the Department Store Business, and its other businesses include the PARCO Business, the Supermarket Business, the Wholesale Business, the Credit Business, design and construction contracting, direct marketing, and general retailing. The following is a business organization chart of the Group's main consolidated subsidiaries and equity method companies.



Notes: 1. Companies marked with an asterisk (*) are equity method companies.

2. In segment information, direct marketing, real estate leasing and parking, leasing, design and construction contracting, manufacture and sale of furniture, and general retailing are shown together as "Other Businesses." The other businesses are categorized in accordance with the segments.
3. JFR PLAZA Inc. was newly established on August 20, 2012.
4. PARCO Co., Ltd. and five of its subsidiaries (Parco (Singapore) Pte Ltd, PARCO Consulting (SUZHOU) Co., Ltd., NEUVE A Co., Ltd., PARCO SPACE SYSTEMS Co., Ltd. (PSS) and PARCO-CITY Co., Ltd.) were made consolidated subsidiaries on August 27, 2012.

   In addition, two of PARCO Co., Ltd.'s subsidiaries (JAPAN RETAIL ADVISORS Co., Ltd., Straits Parco Retail Management Pte Ltd) and one affiliate (Stylife Corporation) were made equity method companies.

   Stylife Corporation was excluded from the scope of equity method companies on February 28, 2013.
5. Daimaru Matsuzakaya Sales Associates Co. Ltd. was newly established on September 3, 2012.
6. The Company transferred all of its shares in Peacock Stores Ltd. on April 1, 2013.
7. Imabari Daimaru Co., Ltd. was dissolved on February 28, 2009 and is currently undergoing liquidation.
8. Central Park Building Co., Ltd. was dissolved on February 29, 2012 and is currently undergoing liquidation.

3. Management policies

(1) Fundamental management policies

Under its holding company structure, the Group endeavors to optimize and effectively utilize management resources such as its network of Daimaru, Matsuzakaya and PARCO stores and its customer base. The Group also works to enhance the competitiveness and profitability of the Department Store Business, the PARCO Business and other existing businesses by responding accurately to changing times, maximizing customer satisfaction and operating in the most efficient way.

The Group will also work to develop as a well-balanced multi-retailer with highly competitive and profitable business lines by such means as directing resources to fields with higher growth potential. By realizing these goals, the Group will endeavor to realize its vision, which is to secure a position as a leading Japanese retail company both in terms of quality and quantity, with the Department Store Business at its core.

(2) Target management benchmarks

The Group not only works to enhance its competitiveness and growth potential by strengthening its capability to respond to market changes, but also places an emphasis on improving management efficiency by such means as the effective use of its assets. To this end, the Group is working to boost consolidated operating income, consolidated ROA and consolidated ROE, having positioned them as important management benchmarks.

(3) Medium and long term management strategies

In order to prevail over competitors and realize its vision of securing a position as a leading retail company amid a difficult business environment, the Group will work to boost the competitiveness of the Department Store Business through “A new department store business model” that brings innovation to the sector. It will also take a Group-wide approach to strengthening its initiatives in fields of growth.

A. Boosting competitiveness of Department Store Business through “A new department store business model”

Having recognized that it is not viable to continue with the previous department store business model in this time of dramatic changes, we will drastically overhaul our current business model without being tied to the previous assumptions or frameworks, and work to create appealing stores that cater to the needs of a wide variety of customers. In tandem, by renewing the framework of the business through the creation of a highly productive store management structure, we will endeavor to transform our business model into a highly profitable one that enables sustainable growth in net sales.

B. Taking a Group-wide approach to strengthening initiatives in fields of growth

We will work to boost the growth potential of the entire Group through strengthened initiatives in fields of growth and focused investment of management resources. Our efforts to this end will include cultivating and constructing the next foundations for growth in the internet and other business areas, engaging in fields of growth from outside the Group through mergers and acquisitions and alliances, and expanding operations in overseas markets.

In addition to the above, we will work to enhance corporate value sustainably by improving the Group’s productivity and management efficiency. We will also seek to develop the Group by making a broad contribution to society as a fair and reliable group of companies through such means as thoroughly promoting compliance with laws and regulations, undertaking environmentally friendly business operations, and creating rewarding workplace environments.

(4) Issues to be addressed

Looking ahead, competition in the distribution sector is expected to intensify further, mainly due to a projected lack of growth in consumer markets amid further population and birthrate declines and the aging of society combined with an expected spate of openings and floor space increases of commercial facilities in the Osaka region and various other areas. Furthermore, the hike in consumption tax scheduled for April 2014 is expected to further increase belt-tightening among consumers. For these reasons and others, the business environment surrounding the Company is projected to continue deteriorating.

Amid this difficult environment, the Group will immediately push ahead with the creation of a more robust corporate structure that can steadily overcome challenges from dramatic changes in the economic environment such as the consumption tax hike. In the medium term, our goal is to develop as a well-balanced multi-retailer with highly competitive and profitable business lines mainly by improving the profitability of existing businesses, particularly our core Department Store Business and PARCO Business, while also directing resources to fields with higher growth potential.

Regarding our core Department Store Business, we will advance its progression to “A new department store business model” and work to enhance the competitiveness and profitability of all our stores. This will be achieved by creating appealing stores that cater fully to the needs of customers in their areas based on store strategies tailored to their respective locations, thus constructing a store network that is unbound by the traditional limits of department stores.

To enhance Group-wide growth potential, we will continue to promote the selection and concentration of businesses and aim for expansion and development in fields with high growth potential and profitability. As our main measures to achieve these goals, we will work to achieve synergy between the Company’s new consolidated subsidiary PARCO and all other Group companies while also pursuing further mergers and acquisitions. We will also strengthen our approaches to markets regarded to have new growth potential by such means as capturing demand from the growing senior citizen market and utilizing internet commerce.

In the overseas business, we are steadily developing our operations in Asian regions, primarily by advancing our Department Store Business in Shanghai, China with a view to starting operations in 2015 and developing an extensive store network for JFR PLAZA in Taiwan.

Through our redevelopment plan for the Ginza 6-chome district, for which we plan to complete construction in 2016, we aim to create a commercial facility fit for the globally renowned Ginza district, with the Ginza New Store Planning Office, established in March 2013, taking the lead. In addition, we are examining possibilities for rebuilding the South Wing of the Matsuzakaya Ueno store, and will formulate a detailed plan with a view to working in partnership with PARCO.

We will also push ahead with reforming our organizational and workforce structures and streamlining expenses on a Group level and work to improve management efficiency in employee productivity and other areas.

Amid an environment in which the purchasing behavior of consumers is set to undergo a considerable transformation due to dramatic structural changes in the economy and society, the Group will work to achieve Group-wide growth and development as well as sustainable growth in corporate value by speedily responding to market changes and acting in anticipation of customer needs.

We would like to ask our shareholders for their continued support and encouragement.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of February 29, 2012	As of February 28, 2013
Assets		
Current assets		
Cash and deposits	24,204	37,234
Notes and accounts receivable-trade	54,720	63,061
Short-term investment securities	1,769	818
Inventories	28,070	30,942
Deferred tax assets	12,457	13,887
Other	28,594	44,425
Allowance for doubtful accounts	(575)	(273)
Total current assets	149,240	190,096
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	138,968	195,388
Land	353,713	431,868
Construction in progress	445	1,234
Other, net	2,817	4,893
Total property, plant and equipment	495,944	633,385
Intangible assets		
Goodwill	–	1,571
Other	17,694	41,836
Total intangible assets	17,694	43,408
Investments and other assets		
Investment securities	33,983	37,194
Long-term loans receivable	1,442	1,639
Lease and guarantee deposits	48,938	82,587
Deferred tax assets	4,687	4,428
Other	18,525	19,608
Allowance for doubtful accounts	(2,913)	(3,285)
Total investments and other assets	104,664	142,173
Total noncurrent assets	618,302	818,967
Deferred assets		
Bond issuance cost	–	101
Total deferred assets	–	101
Total assets	767,543	1,009,165

(Millions of yen)

	As of February 29, 2012	As of February 28, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	74,616	87,995
Short-term loans payable	58,940	74,567
Commercial papers	9,998	19,998
Current portion of bonds	–	1,000
Income taxes payable	4,657	9,154
Advances received	17,032	17,985
Gift certificates	39,374	38,001
Provision for bonuses	6,174	6,437
Provision for directors’ bonuses	154	148
Provision for sales returns	–	14
Provision for books unsold	–	137
Provision for sales promotion expenses	340	624
Provision for redemption of gift certificates	10,322	11,429
Provision for loss on business liquidation	1,097	70
Other	44,967	60,729
Total current liabilities	267,676	328,295
Noncurrent liabilities		
Bonds payable	–	24,000
Long-term loans payable	37,087	93,519
Deferred tax liabilities	83,257	101,919
Deferred tax liabilities for land revaluation	1,308	1,279
Provision for retirement benefits	25,022	26,554
Provision for directors’ retirement benefits	62	48
Negative goodwill	1,163	–
Other	9,403	42,879
Total noncurrent liabilities	157,305	290,201
Total liabilities	424,982	618,497
Net assets		
Shareholders’ equity		
Capital stock	30,000	30,000
Capital surplus	209,598	209,563
Retained earnings	100,133	107,629
Treasury stock	(5,967)	(6,098)
Total shareholders’ equity	333,764	341,095
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(827)	68
Deferred gains or losses on hedges	(1)	6
Foreign currency translation adjustment	(18)	149
Total accumulated other comprehensive income	(847)	223
Subscription rights to shares	99	15
Minority interests	9,544	49,333
Total net assets	342,561	390,667
Total liabilities and net assets	767,543	1,009,165

(2) Consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)

(Millions of yen)

	Fiscal year ended February 29, 2012	Fiscal year ended February 28, 2013
Net sales		
Net sales of goods	934,453	1,083,679
Rent income of real estate	6,961	9,076
Total net sales	941,415	1,092,756
Cost of sales		
Cost of goods sold	711,554	842,419
Cost of real estate rent	3,213	4,722
Total cost of sales	714,768	847,141
Gross profit	226,646	245,615
Selling, general and administrative expenses		
Advertising expenses	29,352	31,379
Provision of allowance for doubtful accounts	726	41
Directors’ compensations, salaries and allowances	54,017	55,801
Provision for bonuses	6,097	6,260
Provision for directors’ bonuses	154	148
Retirement benefit expenses	4,531	5,086
Provision for directors’ retirement benefits	8	8
Welfare expenses	11,686	11,980
Depreciation	12,532	15,059
Rent expenses	26,346	29,897
Operational expenses	13,841	16,837
Amortization of goodwill	–	174
Other	45,756	42,081
Total selling, general and administrative expenses	205,052	214,757
Operating income	21,594	30,857
Non-operating income		
Interest income	343	363
Dividends income	465	465
Gain on adjustment of account payable	3,499	3,464
Amortization of negative goodwill	2,286	1,163
Equity in earnings of affiliates	228	1,837
Other	716	954
Total non-operating income	7,539	8,248
Non-operating expenses		
Interest expenses	1,536	1,772
Loss on retirement of noncurrent assets	267	374
Provision for redemption of gift certificates	3,755	3,693
Other	632	1,063
Total non-operating expenses	6,192	6,903
Ordinary income	22,941	32,202

(Millions of yen)

	Fiscal year ended February 29, 2012	Fiscal year ended February 28, 2013
Extraordinary income		
Gain on sales of noncurrent assets	1,795	546
Gain on sales of investment securities	138	496
Reversal of provision for loss on business liquidation	400	375
Compensation income for damage	–	569
Other	277	137
Total extraordinary income	2,611	2,124
Extraordinary loss		
Loss on sales of noncurrent assets	715	73
Loss on disposal of noncurrent assets	1,487	2,863
Loss on sales of investment securities	127	129
Loss on valuation of investment securities	1,519	307
Impairment loss	794	1,473
Loss on liquidation of business	532	359
Loss on step acquisitions	–	1,667
Loss on cancellation of leasehold contracts	–	999
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,254	–
Other	1,407	465
Total extraordinary losses	8,839	8,340
Income before income taxes and minority interests	16,714	25,986
Income taxes-current	6,247	11,479
Income taxes-deferred	(8,926)	757
Total income taxes	(2,678)	12,237
Income before minority interests	19,392	13,749
Minority interests in income	587	1,565
Net income	18,804	12,183

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended February 29, 2012	Fiscal year ended February 28, 2013
Income before minority interests	19,392	13,749
Other comprehensive income		
Valuation difference on available-for-sale securities	(352)	962
Deferred gains or losses on hedges	57	(5)
Foreign currency translation adjustment	(17)	161
Share of other comprehensive income of associates accounted for using equity method	(42)	27
Total other comprehensive income	(355)	1,145
Comprehensive income	19,036	14,894
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	18,447	13,255
Comprehensive income attributable to minority interests	589	1,639

(3) Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended February 29, 2012	Fiscal year ended February 28, 2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	30,000	30,000
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	30,000	30,000
Capital surplus		
Balance at the beginning of current period	209,605	209,598
Changes of items during the period		
Disposal of treasury stock	(6)	(35)
Total changes of items during the period	(6)	(35)
Balance at the end of current period	209,598	209,563
Retained earnings		
Balance at the beginning of current period	84,895	100,133
Changes of items during the period		
Dividends from surplus	(3,701)	(4,759)
Change of scope of equity method	–	70
Net income	18,804	12,183
Increase by inclusion of subsidiaries to scope of consolidation	135	–
Total changes of items during the period	15,238	7,495
Balance at the end of current period	100,133	107,629
Treasury stock		
Balance at the beginning of current period	(5,976)	(5,967)
Changes of items during the period		
Purchase of treasury stock	(18)	(195)
Disposal of treasury stock	26	65
Total changes of items during the period	8	(130)
Balance at the end of current period	(5,967)	(6,098)
Total shareholders' equity		
Balance at the beginning of current period	318,523	333,764
Changes of items during the period		
Dividends from surplus	(3,701)	(4,759)
Change of scope of equity method	–	70
Net income	18,804	12,183
Purchase of treasury stock	(18)	(195)
Disposal of treasury stock	20	30
Increase by inclusion of subsidiaries to scope of consolidation	135	–
Total changes of items during the period	15,240	7,330
Balance at the end of current period	333,764	341,095

(Millions of yen)

	Fiscal year ended February 29, 2012	Fiscal year ended February 28, 2013
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(477)	(827)
Changes of items during the period		
Net changes of items other than shareholders' equity	(349)	895
Total changes of items during the period	(349)	895
Balance at the end of current period	(827)	68
Deferred gains or losses on hedges		
Balance at the beginning of current period	(12)	(1)
Changes of items during the period		
Net changes of items other than shareholders' equity	11	7
Total changes of items during the period	11	7
Balance at the end of current period	(1)	6
Foreign currency translation adjustment		
Balance at the beginning of current period	–	(18)
Changes of items during the period		
Net changes of items other than shareholders' equity	(18)	168
Total changes of items during the period	(18)	168
Balance at the end of current period	(18)	149
Total accumulated other comprehensive income		
Balance at the beginning of current period	(490)	(847)
Changes of items during the period		
Net changes of items other than shareholders' equity	(357)	1,071
Total changes of items during the period	(357)	1,071
Balance at the end of current period	(847)	223
Subscription rights to shares		
Balance at the beginning of current period	115	99
Changes of items during the period		
Net changes of items other than shareholders' equity	(15)	(83)
Total changes of items during the period	(15)	(83)
Balance at the end of current period	99	15
Minority interests		
Balance at the beginning of current period	9,093	9,544
Changes of items during the period		
Net changes of items other than shareholders' equity	450	39,788
Total changes of items during the period	450	39,788
Balance at the end of current period	9,544	49,333

(Millions of yen)

	Fiscal year ended February 29, 2012	Fiscal year ended February 28, 2013
Total net assets		
Balance at the beginning of current period	327,242	342,561
Changes of items during the period		
Dividends from surplus	(3,701)	(4,759)
Change of scope of equity method	–	70
Net income	18,804	12,183
Purchase of treasury stock	(18)	(195)
Disposal of treasury stock	20	30
Increase by inclusion of subsidiaries to scope of consolidation	135	–
Net changes of items other than shareholders' equity	77	40,776
Total changes of items during the period	15,318	48,106
Balance at the end of current period	342,561	390,667

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 29, 2012	Fiscal year ended February 28, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	16,714	25,986
Depreciation and amortization	13,347	16,482
Impairment loss	1,069	1,473
Amortization of goodwill	–	174
Amortization of negative goodwill	(2,286)	(1,163)
Increase (decrease) in allowance for doubtful accounts	(53)	(143)
Increase (decrease) in provision for bonuses	(187)	(807)
Increase (decrease) in provision for retirement benefits	(4,387)	(866)
Increase (decrease) in provision for sales promotion expenses	3	12
Increase (decrease) in reserve for gift certificates	1,143	1,048
Increase (decrease) in provision for loss on business liquidation	(569)	(1,026)
Interest and dividends income	(809)	(828)
Interest expenses	1,536	1,772
Equity in (earnings) losses of affiliates	(228)	(1,837)
Loss (gain) on sales of noncurrent assets	(1,080)	(472)
Loss (gain) on disposal of noncurrent assets	1,487	2,863
Loss (gain) on sales of investment securities	(10)	(366)
Loss (gain) on valuation of investment securities	1,519	307
Compensation income for damage	–	(569)
Loss (gain) on step acquisitions	–	1,667
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,254	–
Decrease (increase) in notes and accounts receivable-trade	(542)	(505)
Decrease (increase) in inventories	2,330	124
Increase (decrease) in notes and accounts payable-trade	(1,923)	(4,707)
Decrease (increase) in accounts receivable-other	(1,295)	(1,592)
Decrease (increase) in long-term prepaid expenses	1,832	(181)
Other, net	256	407
Subtotal	30,120	37,252
Interest and dividends income received	651	668
Interest expenses paid	(1,511)	(1,851)
Income taxes paid	(4,895)	(11,622)
Compensation for damage received	–	1,578
Net cash provided by (used in) operating activities	24,365	26,025

(Millions of yen)

	Fiscal year ended February 29, 2012	Fiscal year ended February 28, 2013
Net cash provided by (used in) investing activities		
Purchase of short-term and long-term investment securities	(11,962)	(31,957)
Proceeds from sales of short-term and long-term investment securities	2,487	4,006
Purchase of property, plant and equipment and intangible assets	(15,686)	(16,824)
Proceeds from sales of property, plant and equipment and intangible assets	2,853	1,845
Purchase of investments in subsidiaries resulting in change in scope of consolidation	–	(34,386)
Decrease (increase) in short-term loans receivable	240	108
Payments of long-term loans receivable	(36)	(8)
Collection of long-term loans receivable	108	67
Other, net	(4,785)	3,171
Net cash provided by (used in) investing activities	(26,781)	(73,977)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(14,998)	30,143
Net increase (decrease) in commercial papers	9,998	10,000
Proceeds from issuance of bonds	–	24,000
Redemption of bonds	–	(500)
Proceeds from long-term loans payable	14,000	52,350
Repayment of long-term loans payable	(11,632)	(51,488)
Purchase of treasury stock	(16)	(193)
Cash dividends paid	(3,693)	(4,746)
Cash dividends paid to minority shareholders	(94)	(413)
Other, net	(434)	(876)
Net cash provided by (used in) financing activities	(6,872)	58,275
Effect of exchange rate change on cash and cash equivalents	1	49
Net increase (decrease) in cash and cash equivalents	(9,286)	10,372
Cash and cash equivalents at beginning of period	33,204	24,204
Increase in cash and cash equivalents from newly consolidated subsidiary	286	–
Cash and cash equivalents at end of period	24,204	34,576

(5) Notes on premise of going concern

No items to report

(6) Notes on consolidated financial statements

(Segment information, etc)

<Segment information>

1. Overview of reportable segment

The reportable segments of the Group are constituent units of the Group for which separate financial statements are obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of management resources and evaluating business results.

The Group is comprised, under a holding company structure, of the reportable segments "Department Store Business," "PARCO Business," "Supermarket Business," "Wholesale Business," "Credit Business" and "Other Businesses," with the Department Store Business at its core.

The Department Store Business carries out the sale of clothing, general goods, household goods, food products and others. The PARCO Business undertakes development, management, supervision and operation of shopping centers. The Supermarket Business carries out the sale of food products, general clothing, household goods and others. The Wholesale Business carries out wholesaling of items including food products and chemical products and materials. The Credit Business undertakes issuance and administration of credit cards. Operations in the Other Businesses segment include direct marketing, real estate leasing and parking, leasing, design and construction contracting, as well as manufacture and sale of furniture, and general retailing.

2. Calculation of net sales, profit or loss, assets, and other items by reportable segment

The accounting method for reportable segments is identical to the accounting method employed for the preparation of the consolidated financial statements.

Segment profits of reportable segments are provided on an operating income basis. Inter-segment revenues and transfers are based on prevailing market prices.

3. Sales, income (loss), assets, liabilities, and other items by segment

Fiscal year ended February 29, 2012

(Millions of yen)

	Department Store Business	Supermarket Business	Wholesale Business	Credit Business	Other Businesses	Total	Adjustments (Note 1)	Amounts on the consolidated financial statements (Note 2)
Net sales								
(1) External sales	735,472	109,404	43,902	4,131	48,504	941,415	–	941,415
(2) Inter-segment sales or transfers	1,450	3,222	7,051	4,092	33,294	49,111	(49,111)	–
Total sales	736,922	112,627	50,954	8,223	81,798	990,526	(49,111)	941,415
Segment profits	14,577	444	1,585	2,281	2,674	21,562	32	21,594
Segment assets	645,018	34,576	25,746	18,945	104,131	828,419	(60,875)	767,543
Other items								
Depreciation and amortization	12,060	812	127	17	514	13,532	(185)	13,347
Amounts invested in equity method affiliates	3,306	–	–	–	163	3,469	10,176	13,645
Increase in property, plant and equipment and intangible assets	10,647	138	225	11	2,306	13,330	(445)	12,884

Notes: 1. Adjustments are made as follows.

(1) The ¥32 million adjustment in segment profits includes a ¥2,268 million in inter-segment eliminations and a deduction of ¥2,236 million in corporate expenses not attributable to any reportable segment. Corporate expenses are mainly expenses of the company submitting consolidated financial statements that are not attributable to any reportable segment.

(2) The ¥60,875 million deducted from segment assets as adjustment includes a deduction of ¥78,516 million in elimination of segment receivables, a deduction of ¥2,478 million in unrealized profit (loss) on noncurrent assets, and ¥18,841 million in assets of the company submitting consolidated financial statements that are not attributable to any reportable segment.

(3) The ¥185 million deducted from depreciation and amortization as adjustment consists of inter-segment transfers.

(4) The ¥10,176 million adjustment in amounts invested in equity method affiliates consists of investments in equity method companies made by the company submitting consolidated financial statements that are not attributable to any reportable segment.

(5) The ¥445 million deducted from increase in property, plant and equipment and intangible assets as adjustment consists of inter-segment unrealized profit.

2. Segment profits are adjusted to operating income in the consolidated financial statements.

Fiscal year ended February 28, 2013

(Millions of yen)

	Department Store Business	PARCO Business	Supermarket Business	Wholesale Business	Credit Business	Other Businesses	Total	Adjustments (Note 1)	Amounts on the consolidated financial statements (Note 2)
Net sales									
(1) External sales	748,813	137,729	98,890	52,398	4,406	50,518	1,092,756	–	1,092,756
(2) Inter-segment sales or transfers	1,522	116	2,888	7,775	4,185	39,615	56,103	(56,103)	–
Total sales	750,335	137,845	101,778	60,174	8,592	90,133	1,148,860	(56,103)	1,092,756
Segment profits (losses)	18,477	5,898	(1,564)	1,592	2,951	3,193	30,548	308	30,857
Segment assets	638,358	235,811	31,011	22,037	21,612	109,224	1,058,055	(48,890)	1,009,165
Other items									
Depreciation and amortization	11,741	3,127	769	130	12	886	16,668	(185)	16,482
Amounts invested in equity method affiliates	3,463	90	–	–	–	162	3,716	10,329	14,045
Increase in property, plant and equipment and intangible assets	12,582	2,289	883	179	2	2,463	18,401	(273)	18,128

Notes: 1. Adjustments are made as follows.

(1) The ¥308 million adjustment in segment profits (losses) includes a ¥2,658 million in inter-segment eliminations and a deduction of ¥2,349 million in corporate expenses not attributable to any reportable segment. Corporate expenses are mainly expenses of the company submitting consolidated financial statements that are not attributable to any reportable segment.

(2) The ¥48,890 million deducted from segment assets as adjustment includes a deduction of ¥76,758 million in elimination of segment receivables, a deduction of ¥2,494 million in unrealized profit (loss) on noncurrent assets, and ¥27,369 million in assets of the company submitting consolidated financial statements that are not attributable to any reportable segment.

(3) The ¥185 million deducted from depreciation and amortization as adjustment consists of inter-segment transfers.

(4) The ¥10,329 million adjustment in amounts invested in equity method affiliates consists of investments in equity method companies made by the company submitting consolidated financial statements that are not attributable to any reportable segment.

(5) The ¥273 million deducted from increase in property, plant and equipment and intangible assets as adjustment consists of inter-segment unrealized profit.

2. Segment profits are adjusted to operating income in the consolidated financial statements.

4. Note regarding change to reportable segments

Owing to an additional purchase of the stocks of PARCO Co., Ltd. on August 27, 2012, PARCO and its five subsidiaries are included in the scope of consolidation effective from the second quarter of the current fiscal year. As a consequence, the reportable segment “PARCO Business” has been added, increasing the number of reportable segments from five to six effective from the first six months ended August 31, 2012.

<Related information>

Fiscal year ended February 29, 2012

1. Information by product and service

   This information has been omitted, as identical information is disclosed in segment information.

2. Information by geographical area

   (a) Net sales

   This information has been omitted, as net sales to external customers in Japan account for more than 90% of net sales recorded on the consolidated statements of income.

   (b) Property, plant and equipment

   This information has been omitted, as the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount recorded on the consolidated balance sheets.

3. Information by major customer

   This information has been omitted, as there is no major external customer that accounts for 10% or more of the net sales recorded on the consolidated statements of income.

Fiscal year ended February 28, 2013

1. Information by product and service

   This information has been omitted, as identical information is disclosed in segment information.

2. Information by geographical area

   (a) Net sales

   This information has been omitted, as net sales to external customers in Japan account for more than 90% of net sales recorded on the consolidated statements of income.

   (b) Property, plant and equipment

   This information has been omitted, as the amount of property, plant and equipment located in Japan accounts for more than 90% of the amount recorded on the consolidated balance sheets.

3. Information by major customer

   This information has been omitted, as there is no major external customer that accounts for 10% or more of the net sales recorded on the consolidated statements of income.

<Impairment loss on noncurrent assets by reportable segment>

Fiscal year ended February 29, 2012

(Millions of yen)

	Department Store Business	Supermarket Business	Wholesale Business	Credit Business	Other Businesses	Total	Corporate and elimination	Total
Impairment loss	673	396	–	–	–	1,069	–	1,069

Fiscal year ended February 28, 2013

(Millions of yen)

	Department Store Business	PARCO Business	Supermarket Business	Wholesale Business	Credit Business	Other Businesses	Total	Corporate and elimination	Total
Impairment loss	10	58	1,372	–	–	32	1,473	–	1,473

<Goodwill amortization amount and remaining goodwill balance by reportable segment>

Fiscal year ended February 29, 2012

Negative goodwill amortization amount and remaining balance in accordance with business combinations that took effect before April 1, 2010 (mainly integration of management between The Daimaru, Inc. and Matsuzakaya Holdings Co., Ltd.) are as follows.

(Millions of yen)

	Department Store Business	Supermarket Business	Wholesale Business	Credit Business	Other Businesses	Total	Corporate and elimination	Total
Amortization amount for the current fiscal year	146	–	–	–	–	146	2,139	2,286
Balance at the end of the current fiscal year	93	–	–	–	–	93	1,069	1,163

Fiscal year ended February 28, 2013

(Millions of yen)

	Department Store Business	PARCO Business	Supermarket Business	Wholesale Business	Credit Business	Other Businesses	Total	Corporate and elimination	Total
Goodwill	–	1,746	–	–	–	–	1,746	–	1,746
Amortization amount for the current fiscal year	–	(174)	–	–	–	–	(174)	–	(174)
Balance at the end of the current fiscal year	–	1,571	–	–	–	–	1,571	–	1,571
Negative goodwill	93	–	–	–	–	–	–	1,069	1,163
Amortization amount for the current fiscal year	(93)	–	–	–	–	–	–	(1,069)	(1,163)
Balance at the end of the current fiscal year	–	–	–	–	–	–	–	–	–

Notes: 1. Goodwill is the result of a business combination (acquisition of the shares of PARCO Co., Ltd.).

2. Negative goodwill is the result of business combinations that took effect before April 1, 2010 (mainly integration of management between The Daimaru, Inc. and Matsuzakaya Holdings Co., Ltd.).

<Gains on negative goodwill by reportable segment>

Fiscal year ended February 29, 2012

Information has been omitted owing to lack of materiality.

Fiscal year ended February 28, 2013

No items to report