Translation

June 25, 2013

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending February 28, 2014 <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 to file Quarterly Securities Report: July 11, 2013
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results presentation meeting: None

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

1. Consolidated performance for the first three months of the fiscal year ending February 28, 2014 (from March 1, 2013 to May 31, 2013)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2013	275,293	23.1	8,800	107.7	8,269	56.9	18,143	911.3
May 31, 2012	223,704	1.6	4,237	77.6	5,271	104.5	1,793	–

Note: Comprehensive income
For the three months ended May 31, 2013: ¥20,325 million [–%]
For the three months ended May 31, 2012: ¥1,024 million [–%]

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
May 31, 2013	34.35	34.35
May 31, 2012	3.39	3.39

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
May 31, 2013	1,012,654	408,187	35.4
February 28, 2013	1,009,165	390,667	33.8

Reference: Equity
As of May 31, 2013: ¥358,432 million
As of February 28, 2013: ¥341,318 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, 2013	–	4.50	–	4.50	9.00
Fiscal year ending February 28, 2014	–				
Fiscal year ending February 28, 2014 (Forecast)		5.00	–	5.00	10.00

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

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

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

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

Excluded: 1 company (Peacock Stores Ltd.)

Note: For the details, please refer to “2. Matters regarding summary information (Notes)” on page 4 of the attached material.

(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

a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

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

c. Changes in accounting estimates: Yes

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

Note: These items fall in those set forth in Article 10-5 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements. For the details, please refer to “2. Matters regarding summary information (Notes)” on page 4 of the attached material.

(4) Number of issued shares (common stock)

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

As of May 31, 2013	536,238,328 shares
As of February 28, 2013	536,238,328 shares

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

As of May 31, 2013	8,058,824 shares
As of February 28, 2013	8,030,692 shares

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

For the three months ended May 31, 2013	528,185,219 shares
For the three months ended May 31, 2012	528,616,312 shares

*** 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 “Qualitative information regarding consolidated earnings forecasts” on page 4 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.

(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 three months

(1) Qualitative information regarding consolidated operating results

In the three months ended May 31, 2013 (from March 1, 2013 to May 31, 2013), the Japanese economy picked up moderately. This was primarily a reflection of continued weakness in the yen and strength in stock prices on the back of results and further expectations brought about by the economic measures and financial policies of the government and the Bank of Japan, as well as signs of improvements in corporate earnings and personal consumption.

In the department store sector, highly priced products continued to sell strongly on the back of the wealth effect from stock price rises and optimism regarding economic recovery. As a result, net sales were solid, showing year-on-year improvements in March and May.

Amid this environment, with the aim of developing as a multi-retailer operating multiple businesses with department stores at their core, the J. Front Retailing Group (hereinafter the “Group”) worked to enhance the competitiveness of its Department Store Business and strengthen Group-wide growth potential through “A new department store business model.”

In order to enhance 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 a part of these initiatives, the food floor of the Matsuzakaya Nagoya store was completely renewed for the first time in 13 years. The different zones of the floor were opened sequentially from March, culminating in the grand opening in June. The Group undertook similar initiatives to improve the appeal of all of its stores and enhance their competitiveness in all regions.

The Matsuzakaya Ginza store, which will be closed temporarily from the end of June 2013 for rebuilding in accordance with the advancement of the urban redevelopment project in the Ginza 6-chome district, held a closing sale from April in preparation for its rebuilding.

The Group redoubled its efforts to strengthen Group-wide growth through such means as the concentrated allocation of management resources to fields with high growth potential and profitability as part of promoting the selection and concentration of businesses.

In the PARCO Business, PARCO Co., Ltd. acquired the Fukuoka PARCO and adjacent land and buildings at the end of March, with the aim of stable growth now and in the future. The adjacent land is scheduled for redevelopment as a new commercial facility to be operated in a two-building framework with the Fukuoka PARCO.

On the other hand, in the Supermarket Business the performance of Peacock Stores Ltd. remained weak, primarily due to recent intensification in competition. Because an improvement is expected to take some time, J. FRONT RETAILING Co., Ltd. (hereinafter the “Company”) transferred all of its shares in Peacock Stores Ltd. to Aeon Co., Ltd. on April 1, excluding it from the scope of consolidation.

In the internet business, a position with responsibility for IT new business development was established in March to strengthen the Group’s response to the internet commerce market, which has continued to show rapid growth in recent years.

With respect to overseas operations, the Company is currently working towards the fully fledged joint establishment and operation of an upscale department store in Shanghai, China. Preparatory activities in Shanghai were started in March, and 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, at the end of March.

In preparation for the hike in consumption tax scheduled for April 2014, the Group worked to construct a more robust 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 three months ended May 31, 2013, consolidated net sales was ¥275,293 million, up 23.1% year on year, operating income was ¥8,800 million, up 107.7%, ordinary income was ¥8,269 million, up 56.9%, and net income was ¥18,143 million, up 911.3%.

Results by segment are as follows.
Owing to an additional purchase of the shares of PARCO Co., Ltd. on August 27, 2012, "PARCO Business" was added to the reportable segments in the second quarter of the previous fiscal year. In addition, owing to the transfer of all the shares of Peacock Stores Ltd. on April 1, 2013, "Supermarket Business" was removed in the first quarter of the current fiscal year.

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

At the Matsuzakaya Nagoya store, following on from the first period of refurbishment centered on the fashion floor in spring 2012, we carried out a complete renewal of the food floor for the first time in 13 years for the second period of refurbishment in spring 2013. The different zones of the floor were opened sequentially from March, culminating in the grand opening in June. With our enhancements of the product lineup and the services offered and improvements in the store's environment to meet the requirements of many generations of customers, our complete renewal of the food floor has made it into one that befits an urban department store.

At the Matsuzakaya Ginza store, which will be closed temporarily from the end of June 2013 for rebuilding, we held a closing sale from April, attracting a large number of customers to the store.

With respect to sales promotion activities, we implemented our first joint sales promotion plan with PARCO in March with the "Spring Ultra Thanks Festival," which was held at 13 Daimaru stores, six Matsuzakaya stores and 18 PARCO stores. In this way, we worked to attract customers through diverse plans with the power to attract their attention.

As a result of various initiatives including those mentioned above, net sales in this business was ¥184,560 million, up 5.1% year on year, and operating income was ¥4,573 million, up 48.2%.

<PARCO Business>
In the mainstay shopping center business, two new ZERO GATE complexes were opened, while refurbishments of existing PARCO stores, primarily urban stores, and sales plans centered on the PARCO card, were carried out successfully. As a result, net sales in this business was ¥66,197 million and operating income was ¥2,741 million.

<Wholesale Business>
There was strong sales growth in this business, mainly reflecting the cultivation of new business partners in its main fields such as chemical products and food products. As a result, net sales was ¥13,297 million, up 30.2% year on year. Thanks to efforts to reduce selling, general and administrative expenses, operating income was ¥167 million, up 637.0%.

<Credit Business>

As a result of an increase in member store fees and growth in installment interest payments resulting from a steady rise in the use of cards at department stores and external member stores, net sales in this business was ¥2,182 million, up 3.8% year on year. Despite an increase in selling, general and administrative expenses due to increases in card issuance expenses, outsourcing fees and others in line with business line expansion, operating income was ¥722 million, up 0.1%.

<Other Businesses>

In Other Businesses, there was a large decline in sales at J. Front Design & Construction because of the contrast with 2012, when sales were boosted by refurbishment and construction projects at department stores. As a result, net sales in this business was ¥22,125 million, down 8.4% year on year. Even so, operating income was up 25.1% year on year to ¥714 million thanks to thoroughgoing streamlining of selling, general and administrative expenses.

(2) Qualitative Information regarding consolidated financial position

Total assets as of May 31, 2013 was ¥1,012,654 million, an increase of ¥3,489 million compared with February 28, 2013, primarily due to the acquisition of land. Total liabilities was ¥604,467 million, a decrease of ¥14,030 million primarily due to the repayments of loans payable. Total net assets was ¥408,187 million, an increase of ¥17,520 million compared with February 28, 2013, mainly because of an increase in retained earnings.

(Cash flow position)

The balance of cash and cash equivalents (hereinafter “cash”) as of May 31, 2013 amounted to ¥22,122 million, down ¥12,454 million compared with February 28, 2013.
Cash flow positions in the three months ended May 31, 2013 and the factors for these were as follows.

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

Net cash provided by operating activities was ¥704 million. In comparison with the three months ended May 31, 2012, cash provided decreased by ¥5,073 million in line with an increase in income taxes paid.

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

Net cash used in investing activities was ¥2,948 million. In comparison with the three months ended May 31, 2012, cash used decreased by ¥32,721 million, mainly because of the proceeds from sales of investments in subsidiaries.

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

Net cash used in financing activities was ¥10,233 million. In comparison with the three months ended May 31, 2012, cash used increased by ¥32,823 million, mainly because of the repayment of short-term loans payable.

(3) Qualitative information regarding consolidated earnings forecasts

The consolidated earnings forecasts are unchanged from the forecasts for the first six months ending August 31, 2013 and the fiscal year ending February 28, 2014 announced in the consolidated financial results released on April 9, 2013.

2. Matters regarding summary information (Notes)

(1) Changes in significant subsidiaries during the period

Peacock Stores Ltd. was excluded from the scope of consolidation in the three months ended May 31, 2013 as the result of the transfer of all its shares on April 1, 2013.

(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

(Change in depreciation method)

Following the revision of the Corporation Tax Act, the method applied at the Company and its domestic consolidated subsidiaries for depreciating property, plant and equipment acquired on or after March 1, 2013 has been changed to the method pursuant to the provisions of the revised Act, effective from the first quarter of the current fiscal year.

The impact of this change on profit or loss is immaterial.

3. Quarterly consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of February 28, 2013	As of May 31, 2013
Assets		
Current assets		
Cash and deposits	37,234	25,011
Notes and accounts receivable-trade	63,061	71,092
Short-term investment securities	818	902
Inventories	30,942	30,792
Deferred tax assets	13,887	13,676
Other	44,425	42,955
Allowance for doubtful accounts	(273)	(308)
Total current assets	190,096	184,124
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	195,388	191,578
Land	431,868	455,698
Construction in progress	1,234	1,531
Other, net	4,893	5,100
Total property, plant and equipment	633,385	653,908
Intangible assets		
Goodwill	1,571	1,484
Other	41,836	44,343
Total intangible assets	43,408	45,827
Investments and other assets		
Investment securities	37,194	39,038
Long-term loans receivable	1,639	1,627
Lease and guarantee deposits	82,587	67,159
Deferred tax assets	4,428	3,999
Other	19,608	19,799
Allowance for doubtful accounts	(3,285)	(2,925)
Total investments and other assets	142,173	128,700
Total noncurrent assets	818,967	828,436
Deferred assets		
Bond issuance cost	101	93
Total deferred assets	101	93
Total assets	1,009,165	1,012,654

(Millions of yen)

	As of February 28, 2013	As of May 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	87,995	96,465
Short-term loans payable	74,567	39,679
Commercial papers	19,998	39,992
Current portion of bonds	1,000	1,000
Income taxes payable	9,154	5,386
Advances received	17,985	18,562
Gift certificates	38,001	37,630
Provision for bonuses	6,437	4,056
Provision for directors' bonuses	148	–
Provision for sales returns	14	19
Provision for books unsold	137	147
Provision for sales promotion expenses	624	628
Reserve for gift certificates	11,429	11,659
Provision for loss on business liquidation	70	70
Other	60,729	56,361
Total current liabilities	328,295	311,662
Noncurrent liabilities		
Bonds payable	24,000	24,000
Long-term loans payable	93,519	101,235
Deferred tax liabilities	101,919	102,002
Deferred tax liabilities for land revaluation	1,279	1,279
Provision for retirement benefits	26,554	21,760
Provision for directors' retirement benefits	48	50
Other	42,879	42,475
Total noncurrent liabilities	290,201	292,804
Total liabilities	618,497	604,467
Net assets		
Shareholders' equity		
Capital stock	30,000	30,000
Capital surplus	209,563	209,563
Retained earnings	107,629	123,394
Treasury stock	(6,098)	(6,119)
Total shareholders' equity	341,095	356,839
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68	1,258
Deferred gains or losses on hedges	6	15
Foreign currency translation adjustment	149	319
Total accumulated other comprehensive income	223	1,593
Subscription rights to shares	15	15
Minority interests	49,333	49,738
Total net assets	390,667	408,187
Total liabilities and net assets	1,009,165	1,012,654

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

(Millions of yen)

	Three months ended May 31, 2012	Three months ended May 31, 2013
Net sales	223,704	275,293
Net sales of goods	221,845	272,774
Rent income of real estate	1,858	2,519
Cost of sales	169,977	216,160
Cost of goods sold	169,100	214,684
Cost of real estate rent	877	1,476
Gross profit	53,726	59,132
Selling, general and administrative expenses	49,489	50,332
Operating income	4,237	8,800
Non-operating income		
Interest income	80	104
Dividends income	78	76
Gain on adjustment of account payable	725	722
Amortization of negative goodwill	570	–
Equity in earnings of affiliates	1,212	86
Other	110	287
Total non-operating income	2,776	1,277
Non-operating expenses		
Interest expenses	385	469
Loss on retirement of noncurrent assets	242	265
Provision of reserve for redemption of gift certificates	935	898
Other	179	175
Total non-operating expenses	1,742	1,807
Ordinary income	5,271	8,269
Extraordinary income		
Gain on sales of investment securities	30	14
Gain on sales of subsidiaries and affiliates' stocks	–	18,479
Reversal of provision for loss on business liquidation	233	–
Total extraordinary income	263	18,493
Extraordinary loss		
Loss on disposal of noncurrent assets	1,546	1,166
Loss on valuation of investment securities	710	15
Impairment loss	10	64
Loss on liquidation of business	534	–
Other	3	838
Total extraordinary losses	2,804	2,085
Income before income taxes and minority interests	2,729	24,678
Income taxes-current	1,846	5,858
Income taxes-deferred	(1,027)	(36)
Total income taxes	819	5,821
Income before minority interests	1,910	18,856
Minority interests in income	116	713
Net income	1,793	18,143

(Consolidated statements of comprehensive income - cumulative)

(Millions of yen)

	Three months ended May 31, 2012	Three months ended May 31, 2013
Income before minority interests	1,910	18,856
Other comprehensive income		
Valuation difference on available-for-sale securities	(868)	1,288
Deferred gains or losses on hedges	(63)	(6)
Foreign currency translation adjustment	29	167
Share of other comprehensive income of associates accounted for using equity method	16	18
Total other comprehensive income	(885)	1,468
Comprehensive income	1,024	20,325
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	910	19,512
Comprehensive income attributable to minority interests	114	812

(3) Consolidated statements of cash flows

(Millions of yen)

	Three months ended May 31, 2012	Three months ended May 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,729	24,678
Depreciation and amortization	3,331	4,480
Impairment loss	10	64
Amortization of negative goodwill	(570)	–
Amortization of goodwill	–	87
Increase (decrease) in allowance for doubtful accounts	41	(120)
Increase (decrease) in provision for bonuses	(3,337)	(2,202)
Increase (decrease) in provision for retirement benefits	(162)	(11)
Increase (decrease) in provision for sales promotion expenses	0	4
Increase (decrease) in provision for loss on business liquidation	(1)	(0)
Increase (decrease) in reserve for gift certificates	303	229
Interest and dividends income	(158)	(180)
Interest expenses	385	469
Equity in (earnings) losses of affiliates	(1,212)	(86)
Loss (gain) on disposal of noncurrent assets	1,546	1,166
Loss (gain) on sales of investment securities	(27)	5
Loss (gain) on valuation of investment securities	710	15
Loss (gain) on sales of stocks of subsidiaries and affiliates	–	(18,479)
Decrease (increase) in notes and accounts receivable-trade	(3,051)	(8,925)
Decrease (increase) in inventories	(2,601)	(2,834)
Increase (decrease) in notes and accounts payable-trade	5,055	14,037
Decrease (increase) in accounts receivable-other	(2,511)	(3,411)
Decrease (increase) in long-term prepaid expenses	89	(67)
Other, net	11,176	2,594
Subtotal	11,747	11,510
Interest and dividends income received	112	131
Interest expenses paid	(555)	(687)
Income taxes paid	(5,525)	(9,251)
Payments for cancelation of leasehold contracts	–	(999)
Net cash provided by (used in) operating activities	5,777	704

(Millions of yen)

	Three months ended May 31, 2012	Three months ended May 31, 2013
Net cash provided by (used in) investing activities		
Purchase of short-term and long term investment securities	(30,337)	(733)
Proceeds from sales of short-term and long term investment securities	172	908
Purchase of property, plant and equipment and intangible assets	(8,234)	(38,170)
Proceeds from sales of property, plant and equipment and intangible assets	142	0
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	–	27,649
Decrease (increase) in short-term loans receivable	(17)	15
Payments of long-term loans receivable	(2)	(0)
Collection of long-term loans receivable	14	15
Other, net	2,593	7,366
Net cash provided by (used in) investing activities	(35,669)	(2,948)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	15,136	(37,300)
Net increase (decrease) in commercial papers	9,998	19,993
Proceeds from long-term loans payable	15,850	15,500
Repayment of long-term loans payable	(15,768)	(5,375)
Purchase of treasury stock	(5)	(41)
Cash dividends paid	(2,385)	(2,384)
Cash dividends paid to minority shareholders	(94)	(414)
Other, net	(140)	(211)
Net cash provided by (used in) financing activities	22,590	(10,233)
Effect of exchange rate change on cash and cash equivalents	(0)	22
Net increase (decrease) in cash and cash equivalents	(7,301)	(12,454)
Cash and cash equivalents at beginning of period	24,204	34,576
Cash and cash equivalents at end of period	16,903	22,122

(4) Notes on premise of going concern

No items to report

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

No items to report

(6) Segment information, etc.

<Segment information>

I. Three months ended May 31, 2012 (from March 1, 2012 to May 31, 2012)

1. Sales and income/loss by reportable segment

(Millions of yen)

	Department Store Business	Supermarket Business	Wholesale Business	Credit Business	Other Businesses	Total	Adjustments (Note 1)	Amounts on the consolidated statements of income (Note 2)
Net sales								
(1) External sales	175,174	25,560	9,144	1,114	12,709	223,704	–	223,704
(2) Inter-segment sales or transfers	376	655	1,067	987	11,435	14,522	(14,522)	–
Total sales	175,550	26,215	10,212	2,101	24,145	238,226	(14,522)	223,704
Segment profits (losses)	3,085	(115)	22	721	571	4,285	(48)	4,237

Notes: 1. The ¥48 million deducted from segment profits (losses) as adjustment includes a ¥597 million in inter-segment eliminations and a deduction of ¥645 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. Segment profits (losses) are adjusted to operating income in the consolidated statements of income.

2. Impairment loss on noncurrent assets and goodwill, etc. by reportable segment
Information has been omitted owing to lack of materiality.

II. Three months ended May 31, 2013 (from March 1, 2013 to May 31, 2013)

1. Sales and income/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 statements of income (Note 2)
Net sales								
(1) External sales	184,292	66,143	11,976	1,181	11,676	275,271	22	275,293
(2) Inter-segment sales or transfers	267	53	1,321	1,000	10,448	13,091	(13,091)	–
Total sales	184,560	66,197	13,297	2,182	22,125	288,363	(13,069)	275,293
Segment profits	4,573	2,741	167	722	714	8,919	(118)	8,800

Notes: 1. The ¥118 million deducted from segment profits as adjustment includes a ¥531 million in inter-segment eliminations and a deduction of ¥650 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. Segment profits are adjusted to operating income in the consolidated statements of income.

2. Note regarding change to reportable segments
Owing to an additional purchase of the shares of PARCO Co., Ltd. on August 27, 2012, PARCO and its five subsidiaries were included in the scope of consolidation in the second quarter of the previous fiscal year. In addition, owing to the transfer of all the shares of Peacock Stores Ltd. on April 1, 2013, that company was excluded from the scope of consolidation in the three months ended May 31, 2013. As a consequence, the reportable segment “PARCO Business” was added in the second quarter of the previous fiscal year and the reportable segment “Supermarket Business” was removed in the three months ended May 31, 2013.

3. Impairment loss on noncurrent assets and goodwill, etc. by reportable segment
Information has been omitted owing to lack of materiality.