Translation

FASF MEMBERSHIP

June 26, 2014

Consolidated Financial Results for the First Three Months of the Fiscal Year Ending February 28, 2015 <under Japanese GAAP>

Company name: **J. FRONT RETAILING Co., Ltd.**
Listing: First Section of the Tokyo Stock Exchange and Nagoya Stock Exchange
Securities code: 3086
URL: http://www.j-front-retailing.com/
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Scheduled date to file Quarterly Securities Report: July 11, 2014
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, 2015 (from March 1, 2014 to May 31, 2014)

(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, 2014	285,316	3.6	10,448	18.7	10,485	26.8	4,924	(72.9)
May 31, 2013	275,293	23.1	8,800	107.7	8,269	56.9	18,143	911.3

Note: Comprehensive income
For the three months ended May 31, 2014: ¥4,890 million [(75.9)%]
For the three months ended May 31, 2013: ¥20,325 million [–%]

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
May 31, 2014	9.33	9.33
May 31, 2013	34.35	34.35

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
May 31, 2014	999,281	423,514	37.1
February 28, 2014	998,730	422,215	37.1

Reference: Equity
As of May 31, 2014: ¥371,200 million
As of February 28, 2014: ¥370,173 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, 2014	–	5.00	–	6.00	11.00
Fiscal year ending February 28, 2015	–				
Fiscal year ending February 28, 2015 (Forecast)		6.00	–	12.00	–

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

* The Company plans to conduct a consolidation of common shares at a rate of one share for every two shares with an effective date of September 1, 2014. Consequently, the impact of this consolidation of shares is factored into the figures for the cash dividends per share for the fiscal year ending February 28, 2015 (Forecast), and the total figures for annual cash dividends are omitted.

The fiscal year-end cash dividends per share for the fiscal year ending February 28, 2015 (Forecast) without the consolidation of shares factored in would be ¥6, and the annual cash dividends per share would be ¥12.

For the details, please refer to "Proper use of earnings forecasts, and other special matters."

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2015 (from March 1, 2014 to February 28, 2015)

(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, 2014	562,000	0.6	17,400	(2.9)	16,200	(4.1)	6,600	(67.7)	12.50
Fiscal year ending February 28, 2015	1,172,000	2.2	43,000	2.8	41,000	1.2	19,000	(39.8)	71.99

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

* The impact of the consolidation of shares is factored into the net income per share in the consolidated earnings forecasts for the fiscal year ending February 28, 2015.

For the details, please refer to "Proper use of earnings forecasts, and other special matters."

* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(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: 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

(4) Number of issued shares (common shares)

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

As of May 31, 2014	536,238,328 shares
As of February 28, 2014	536,238,328 shares

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

As of May 31, 2014	8,383,734 shares
As of February 28, 2014	8,372,594 shares

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

For the three months ended May 31, 2014	527,860,403 shares
For the three months ended May 31, 2013	528,185,219 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 “Explanation of consolidated earnings forecasts and other forward-looking statements” on page 5 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.

(Cash dividend forecast and consolidated earnings forecasts following the consolidation of shares)

The Company plans to change the number of shares per unit from 1,000 shares to 100 shares and conduct a consolidation of its common shares at a rate of one share for every two shares with the effective date of September 1, 2014, following the approval and adoption of proposals for the change in the number of shares per unit and the consolidation of shares at the 7th general shareholders meeting held on May 22, 2014. In accordance with this, the cash dividend forecast and consolidated earnings forecasts for the fiscal year ending February 28, 2015, calculated without factoring in the consolidation of shares are as follows.

1. Cash dividend forecast for the fiscal year ending February 28, 2015

   Cash dividends per share

   Second quarter-end: ¥6 (Note 1)

   Fiscal year-end: ¥6 (Note 2)

2. Consolidated earnings forecasts for the fiscal year ending February 28, 2015

   Net income per share

   Fiscal year-end: ¥35.99

   Note 1: Cash dividends per share for the second quarter-end will be paid in accordance with the number of shares before the consolidation of shares.

   Note 2: This is the amount of cash dividends calculated without factoring in the consolidation of shares.

   Note 3: Annual cash dividends for the fiscal year ending February 28, 2015 (without factoring in the consolidation of shares) will be ¥12.

(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) Explanation of operating results

In the three months ended May 31, 2014 (from March 1, 2014 to May 31, 2014), the Japanese economy saw uncertainties in personal consumption, which was affected by a hike in the consumption tax rate. Nevertheless, the economy was firm overall mainly reflecting signs of improvement in corporate earnings and the employment situation partly due to the effects of the economic and financial policies of the government and the Bank of Japan.

In the department store sector, there was a substantial increase in net sales in March centered on durable items and highly priced items on the back of a surge in demand ahead of a hike in the consumption tax rate. From April 2014, however, net sales were down year on year partly because of a demand decline following the consumption tax hike.

Amid this environment, with the aim of developing as a multi-channel retailer operating multiple businesses with department stores at their core, the J. Front Retailing Group (hereinafter the "Group") worked to further strengthen the competitiveness and profitability of existing businesses while also investing management resources in fields of growth in a focused manner.

In the Department Store Business, the Group accelerated its efforts to establish "A new department store business model" that brings innovation to the sector by such means as creating appealing stores that attract a wide range of customers and constructing a highly productive store management structure. As a part of these initiatives, the Group pushed ahead with preparations for the first renewal of the food floor of the Daimaru Kyoto store for ten years and the opening in June of a Tokyu Hands, which will be a new store in its vicinity. The Group undertook similar initiatives to improve the appeal of all of its stores and enhance their competitiveness in all regions.

Furthermore, construction started in April 2014 for the urban redevelopment project in the Ginza 6-chome district with the aim of starting operations in 2016. The South Wing of the Matsuzakaya Ueno store was closed in March 2014 and rebuilding work started with the aim of opening the building in 2017. The refurbished Main Building was opened as a highly convenient department store offering products and services that are tailored to the lifestyles of nearby residents.

In the PARCO Business, work was undertaken at the Fukuoka PARCO in preparation for the opening of the new building in autumn 2014 and an increase in floor space in the adjacent building in spring 2015. Moreover, in March 2014 PARCO Co., Ltd. took the decision to open a "new commercial facility" in the area around the west exit of Sendai station.

Regarding the promotion of omni-channel retailing, the Group pushed ahead with work to expand the brands handled in services that have already been started, such as "Click & Collect," through which customers can collect products they have ordered on the internet at home or at their preferred physical store.

With respect to overseas operations, preparations are steadily underway for the fully fledged joint establishment and operation of an upscale department store in Shanghai, China, with a view to starting operations in January 2015. At JFR PLAZA, which operates the general retailing business in Taiwan, further work was undertaken with a view to expanding the store network.

The Group also worked to construct a stronger 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, 2014, consolidated net sales was ¥285,316 million, up 3.6% year on year, operating income was ¥10,448 million, up 18.7%, ordinary income was ¥10,485 million, up 26.8%, and net income was ¥4,924 million, down 72.9% reflecting absence of gain on sales of shares of subsidiaries and associates recorded in the previous fiscal year.

Results by segment are as follows.

<Department Store Business>
In March, sales were strong, particularly for highly priced items, backed by a surge in demand ahead of a hike in the consumption tax rate. Although demand declined from April 2014 following the consumption tax hike, this business showed a steady recovery on the back of the strengthening of our response to custom from tourists from overseas and other finely focused sales promotion activities.

We had a renewal grand opening of the Matsuzakaya Ueno store as a one-building store just operating in the Main Building in March, in order to rebuild the South Wing. The store has been set up to have a focus on local customers in the senior citizen market. It has also been renewed into a store that customers will regard as a department store especially for them through enhancement of not only the product lineup at the store but also the services it provides.

In addition to the above, to develop growth in out-of-store customers, we continued to push ahead with efforts started in the previous fiscal year for the acquisition of new customer accounts. We also worked to enhance our lineups of products and services aimed at tourists from overseas, a market that has shown dramatic growth. Furthermore, as part of our work to develop “omni-channel” retailing, we worked to enhance our service lineup by such means as expanding the brands we handle.

With the aim of improving group synergy between Daimaru Matsuzakaya Department Stores and PARCO stores, we introduced jointly handled brands for highly fashion-conscious women, EDDY GRACE and sophila, at two Daimaru Matsuzakaya Department Stores and three PARCO stores.

As a result of various initiatives including those mentioned above, net sales in this business was ¥188,178 million, up 2.0% year on year, and operating income was ¥5,850 million, up 27.9%.

<PARCO Business>
In the mainstay shopping center business, we took the decision to open a “new commercial facility” in the area around the west exit of Sendai station as part of our efforts to expand the network of business bases in city centers, while also pushing ahead with refurbishments at existing PARCO stores, particularly urban stores, under the theme of expanding the core target. The shopping complex business was also strong reflecting such efforts as new store openings and enhancement of sales promotion measures. As a result, net sales in this business was ¥68,696 million, up 3.8% year on year, and operating income was ¥2,948 million, up 7.5%.

<Wholesale Business>
Despite sales growth in the main fields of chemical products and retail business, sales in the field of electronic devices were weak. As a result, net sales in this business was ¥12,900 million, down 3.0% year on year, and operating income was ¥137 million, down 17.4% year on year.

<Credit Business>
In this business, member store fees increased substantially as a result of making Daimaru Matsuzakaya Department Stores’ Customer Gold Card into credit card, while there was firm growth in installment interest payments. As a result, net sales in this business was ¥2,655 million, up 21.7% year on year. Operating income was ¥1,054 million, up 46.0%, reflecting our work to keep the increase in selling, general and administrative expenses due to business line expansion to the minimum.

<Other Businesses>
In Other Businesses, net sales in this business was ¥25,026 million, up 13.1% year on year, as a result of Forest becoming a consolidated subsidiary. Despite this increase, operating income was ¥473 million, down 33.7% year on year, due to a substantial decline in profits at J. Front Design & Construction reflecting the absence of large-scale refurbishment sales that occurred in the previous fiscal year.

(2) Explanation of financial position

Total assets as of May 31, 2014 was ¥999,281 million, an increase of ¥551 million compared with February 28, 2014. Total liabilities was ¥575,767 million, a decrease of ¥748 million. Total net assets was ¥423,514 million, an increase of ¥1,299 million compared with February 28, 2014.

(Cash flow position)
The balance of cash and cash equivalents (hereinafter “cash”) as of May 31, 2014 amounted to ¥20,589 million, down ¥10,686 million compared with February 28, 2014.
Cash flow positions in the three months ended May 31, 2014 and the factors for these were as follows.

A. Net cash provided by (used in) operating activities
Net cash provided by operating activities was ¥11,729 million. In comparison with the three months ended May 31, 2013, cash provided increased by ¥11,025 million mainly in line with an increase in operating income and a decrease in income taxes paid.

B. Net cash provided by (used in) investing activities
Net cash used in investing activities was ¥6,342 million. In comparison with the three months ended May 31, 2013, cash used increased by ¥3,394 million because of the absence of the proceeds from sales of shares of subsidiaries, despite a decrease in expenditure on acquisition of non-current assets.

C. Net cash provided by (used in) financing activities
Net cash used in financing activities was ¥16,084 million. In comparison with the three months ended May 31, 2013, cash used increased by ¥5,851 million, mainly because of redemption of commercial papers.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

The consolidated earnings forecasts are unchanged from the forecasts for the first six months ending August 31, 2014 and the fiscal year ending February 28, 2015 announced in the consolidated financial results released on April 10, 2014.

2. Matters regarding summary information (Notes)

(1) Changes in significant subsidiaries during the period

No items to report

(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

No items to report

3. Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of February 28, 2014	As of May 31, 2014
Assets		
Current assets		
Cash and deposits	34,728	24,439
Notes and accounts receivable - trade	66,265	75,329
Securities	400	752
Inventories	29,690	30,565
Deferred tax assets	11,663	12,451
Other	32,502	31,218
Allowance for doubtful accounts	(221)	(240)
Total current assets	175,031	174,515
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	183,380	183,238
Land	349,701	349,701
Construction in progress	115,273	116,909
Other, net	5,199	5,251
Total property, plant and equipment	653,554	655,101
Intangible assets		
Goodwill	2,638	2,480
Other	40,825	40,837
Total intangible assets	43,463	43,317
Investments and other assets		
Investment securities	39,792	38,905
Long-term loans receivable	1,537	1,537
Lease and guarantee deposits	65,566	65,341
Deferred tax assets	3,074	3,387
Other	19,289	19,782
Allowance for doubtful accounts	(2,651)	(2,673)
Total investments and other assets	126,608	126,282
Total non-current assets	823,626	824,701
Deferred assets		
Bond issuance cost	72	64
Total deferred assets	72	64
Total assets	998,730	999,281

(Millions of yen)

	As of February 28, 2014	As of May 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	86,501	93,516
Short-term loans payable	31,265	28,873
Commercial papers	32,192	28,692
Income taxes payable	4,999	4,293
Advances received	18,651	18,556
Gift certificates	37,853	37,068
Provision for bonuses	5,710	3,932
Provision for directors' bonuses	201	–
Provision for sales returns	27	24
Provision for books unsold	129	142
Provision for sales promotion expenses	736	729
Reserve for gift certificates	12,331	12,433
Provision for loss on business liquidation	94	15
Other	52,429	60,092
Total current liabilities	283,124	288,371
Non-current liabilities		
Bonds payable	24,000	24,000
Long-term loans payable	100,492	94,146
Deferred tax liabilities	104,890	105,517
Deferred tax liabilities for land revaluation	1,279	1,279
Provision for retirement benefits	17,049	16,801
Provision for directors' retirement benefits	56	41
Provision for loss of stores rebuilding	1,320	1,320
Other	44,300	44,286
Total non-current liabilities	293,390	287,395
Total liabilities	576,515	575,767
Net assets		
Shareholders' equity		
Capital stock	30,000	30,000
Capital surplus	209,557	209,557
Retained earnings	134,178	135,934
Treasury shares	(6,343)	(6,351)
Total shareholders' equity	367,392	369,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,357	1,665
Deferred gains or losses on hedges	(25)	(24)
Foreign currency translation adjustment	449	417
Total accumulated other comprehensive income	2,780	2,058
Subscription rights to shares	15	15
Minority interests	52,025	52,298
Total net assets	422,215	423,514
Total liabilities and net assets	998,730	999,281

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

(Millions of yen)

	Three months ended May 31, 2013	Three months ended May 31, 2014
Net sales	275,293	285,316
Net sales of goods	272,774	282,760
Rent income of real estate	2,519	2,556
Cost of sales	216,160	224,485
Cost of goods sold	214,684	222,932
Cost of real estate rent	1,476	1,552
Gross profit	59,132	60,831
Selling, general and administrative expenses	50,332	50,383
Operating income	8,800	10,448
Non-operating income		
Interest income	104	96
Dividend income	76	79
Gain on adjustment of account payable	722	698
Share of profit of entities accounted for using equity method	86	446
Other	287	153
Total non-operating income	1,277	1,474
Non-operating expenses		
Interest expenses	469	385
Loss on retirement of non-current assets	265	82
Provision of reserve for redemption of gift certificates	898	808
Other	175	161
Total non-operating expenses	1,807	1,437
Ordinary income	8,269	10,485
Extraordinary income		
Gain on sales of investment securities	14	–
Gain on sales of shares of subsidiaries and associates	18,479	–
Total extraordinary income	18,493	–
Extraordinary losses		
Loss on disposal of non-current assets	1,166	614
Loss on valuation of investment securities	15	19
Impairment loss	64	14
Other	838	54
Total extraordinary losses	2,085	702
Income before income taxes and minority interests	24,678	9,782
Income taxes - current	5,858	4,171
Income taxes - deferred	(36)	(64)
Total income taxes	5,821	4,107
Income before minority interests	18,856	5,675
Minority interests in income	713	750
Net income	18,143	4,924

(Consolidated statement of comprehensive income - cumulative)

(Millions of yen)

	Three months ended May 31, 2013	Three months ended May 31, 2014
Income before minority interests	18,856	5,675
Other comprehensive income		
Valuation difference on available-for-sale securities	1,288	(762)
Deferred gains or losses on hedges	(6)	2
Foreign currency translation adjustment	167	(36)
Share of other comprehensive income of entities accounted for using equity method	18	10
Total other comprehensive income	1,468	(785)
Comprehensive income	20,325	4,890
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,512	4,202
Comprehensive income attributable to minority interests	812	687

(3) Consolidated statement of cash flows

(Millions of yen)

	Three months ended May 31, 2013	Three months ended May 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	24,678	9,782
Depreciation	4,480	4,342
Impairment loss	64	14
Amortization of goodwill	87	158
Increase (decrease) in allowance for doubtful accounts	(120)	40
Increase (decrease) in provision for bonuses	(2,202)	(1,978)
Increase (decrease) in provision for retirement benefits	(11)	(247)
Increase (decrease) in provision for sales promotion expenses	4	(6)
Increase (decrease) in provision for loss on business liquidation	(0)	(79)
Increase (decrease) in reserve for gift certificates	229	101
Interest and dividend income	(180)	(175)
Interest expenses	469	385
Share of (profit) loss of entities accounted for using equity method	(86)	(446)
Loss (gain) on disposal of non-current assets	1,166	614
Loss (gain) on sales of investment securities	5	–
Loss (gain) on valuation of investment securities	15	19
Loss (gain) on sales of shares of subsidiaries and associates	(18,479)	–
Decrease (increase) in notes and accounts receivable - trade	(8,925)	(9,063)
Decrease (increase) in inventories	(2,834)	(874)
Increase (decrease) in notes and accounts payable - trade	14,037	7,015
Decrease (increase) in accounts receivable - other	(3,411)	(1,207)
Decrease (increase) in long-term prepaid expenses	(67)	(37)
Other, net	2,594	9,449
Subtotal	11,510	17,804
Interest and dividend income received	131	128
Interest expenses paid	(687)	(618)
Income taxes paid	(9,251)	(5,585)
Payments for cancellation of rental contracts	(999)	–
Net cash provided by (used in) operating activities	704	11,729

(Millions of yen)

	Three months ended May 31, 2013	Three months ended May 31, 2014
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(733)	(205)
Proceeds from sales of short-term and long-term investment securities	908	101
Purchase of property, plant and equipment and intangible assets	(38,170)	(8,641)
Proceeds from sales of property, plant and equipment and intangible assets	0	–
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	27,649	–
Decrease (increase) in short-term loans receivable	15	(5)
Payments of long-term loans receivable	(0)	(10)
Collection of long-term loans receivable	15	10
Other, net	7,366	2,406
Net cash provided by (used in) investing activities	(2,948)	(6,342)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(37,300)	(2,450)
Net increase (decrease) in commercial papers	19,993	(3,500)
Proceeds from long-term loans payable	15,500	–
Repayments of long-term loans payable	(5,375)	(6,287)
Purchase of treasury shares	(41)	(12)
Cash dividends paid	(2,384)	(3,175)
Cash dividends paid to minority shareholders	(414)	(414)
Other, net	(211)	(244)
Net cash provided by (used in) financing activities	(10,233)	(16,084)
Effect of exchange rate change on cash and cash equivalents	22	11
Net increase (decrease) in cash and cash equivalents	(12,454)	(10,686)
Cash and cash equivalents at beginning of period	34,576	31,276
Cash and cash equivalents at end of period	22,122	20,589

(4) Notes on quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report

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

No items to report

(Segment information, etc.)

<Segment information>

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

1. Net sales and profit/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 statement 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 ¥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. Impairment loss on non-current assets and goodwill, etc. by reportable segment

Information has been omitted owing to lack of materiality.

II. Three months ended May 31, 2014 (from March 1, 2014 to May 31, 2014)

1. Net sales and profit/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 statement of income (Note 2)
Net sales								
(1) External sales	187,949	68,623	11,446	1,304	15,991	285,316	–	285,316
(2) Inter-segment sales or transfers	228	72	1,453	1,351	9,034	12,140	(12,140)	–
Total sales	188,178	68,696	12,900	2,655	25,026	297,456	(12,140)	285,316
Segment profits	5,850	2,948	137	1,054	473	10,465	(17)	10,448

Notes: 1. The ¥17 million deducted from segment profits as adjustment includes ¥692 million in inter-segment eliminations and a deduction of ¥709 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. Impairment loss on non-current assets and goodwill, etc. by reportable segment

Information has been omitted owing to lack of materiality.