

J. FRONT RETAILING Supplementary Information to Financial Results

1. Consolidated Results of Operations

(Unit: Millions of yen, %)

Item	Three months ended May 2014	Three months ended May 2013	Change	
			¥M	%
1. Consolidated net sales	285,316	275,293	10,023	3.6
2. Consolidated gross margin	21.32 %	21.48 %		Change (0.16) %
3. Consolidated gross profit	60,831	59,132	1,699	2.9
4. Consolidated SG&A	50,383	50,332	51	0.1
5. Consolidated operating income	10,448	8,800	1,648	18.7
6. Consolidated operating margin	3.7 %	3.2 %		Change 0.5 %
7. Consolidated ordinary income	10,485	8,269	2,216	26.8
8. Consolidated ordinary income margin	3.7 %	3.0 %		Change 0.7 %
9. Consolidated net income	4,924	18,143	(13,219)	(72.9)
10. Consolidated net income margin	1.7 %	6.6 %		Change (4.9) %

2. Financial Results by Consolidated Company

(Unit: Millions of yen, %)

Company name	Capital	Ownership percentage	Business	Three months ended May 2014			
				Net sales	Operating income	Ordinary income	Net income
1. J. Front Retailing Co., Ltd.	30,000			5,368	4,658	4,677	4,665
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	10,000	100.0	Department store	166,522	5,017	4,958	2,686
3. The Hakata Daimaru, Inc.	3,037	69.9	Department store	13,942	637	576	344
4. The Shimonoseki Daimaru, Inc.	480	100.0	Department store	4,167	92	74	36
5. Kochi Daimaru Co., Ltd.	300	100.0	Department store	3,546	125	119	74
6. Parco Co., Ltd.	34,367	64.9	Shopping complex	62,007	2,944	2,945	(1,695)
7. Parco (Singapore) Pte Ltd	SGD 25M	64.9	Shopping complex	—	(119)	(99)	(99)
8. Neuve A Co., Ltd.	490	64.9	Specialty store	4,789	130	130	61
9. Parco Space Systems Co., Ltd.	490	64.9	Space engineering & management	4,888	96	101	47
10. Parco-City Co., Ltd.	10	64.9	Internet-related business	143	(9)	(9)	(9)
11. Daimaru Kogyo, Ltd.	1,800	100.0	Wholesale	12,703	141	137	65
12. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	USD 2M	100.0	Wholesale	504	0	2	1
13. Daimaru Kogyo (Thailand) Co., Ltd.	THB 202M	99.9	Wholesale	189	(1)	1	1
14. JFR Card Co., Ltd.	100	100.0	Credit	2,655	1,054	1,019	614
15. J. Front Design & Construction Co., Ltd.	100	100.0	Design & construction Manufacture & sale of furniture	7,397	90	91	47
16. JFR Online Co. Ltd.	100	100.0	Direct marketing	3,854	(159)	(158)	(158)
17. Dimples' Co., Ltd.	90	100.0	Staffing service	2,619	149	150	93
18. J. Front Foods Co., Ltd.	100	100.0	Restaurant	753	14	11	(12)
19. Daimaru COM Development Inc.	50	100.0	Real estate leasing Tenant service	512	72	69	41
20. Consumer Product End-Use Research Institute Co., Ltd.	450	100.0	Merchandise test Quality control	248	14	14	6
21. JFR Plaza Inc.	NTD 185M	90.0	General merchandise retail	75	(30)	(30)	(30)
22. Forest Co., Ltd.	90	72.9	Direct marketing	3,541	66	64	37
23. Angel Park Co., Ltd.	400	50.2	Parking	287	154	162	101
24. JFR Information Center Co., Ltd.	10	100.0	Information service	1,257	119	119	72
25. JFR Office Support Co., Ltd.	100	100.0	Commissioned back-office service	531	64	73	42
26. JFR Service Co. Ltd.	100	100.0	Leasing Parking management	1,254	44	45	22
27. JFR Consulting Co. Ltd.	100	100.0	Consulting	43	(6)	(6)	(6)
28. Daimaru Matsuzakaya Sales Associates Co. Ltd.	90	100.0	Commissioned sales & store operations	2,470	59	58	31
29. Daimaru Matsuzakaya Tomonokai Co., Ltd.	100	100.0	Special repayment-based transaction	562	(113)	283	158

3. Daimaru Matsuzakaya Department Stores Results of Operations

(Unit: Millions of yen, %)

Item	Three months ended May 2014	Three months ended May 2013	Change	
			¥M	%
1. Net sales	166,522	163,466	3,056	1.9
2. Gross margin	23.79 %	23.99 %		Change (0.20)
3. Gross profit	39,608	39,218	390	1.0
4. SG&A	34,590	35,355	(765)	(2.2)
5. Operating income	5,017	3,862	1,155	29.9
6. Operating margin	3.0 %	2.4 %		Change 0.6
7. Ordinary income	4,958	3,450	1,508	43.7
8. Ordinary income margin	3.0 %	2.1 %		Change 0.9
9. Net income	2,686	480	2,206	458.8
10. Net income margin	1.6 %	0.3 %		Change 1.3

4. Daimaru Matsuzakaya Department Stores Sales by Store

(Unit: Millions of yen, %)

Store	Term	Three months ended May 2014		Three months ended May 2013		Change	
		Amount	Component ratio	Amount	Component ratio	¥M	%
Daimaru	Osaka Shinsaibashi	20,104	12.1	18,897	11.6	1,207	6.4
	Osaka Umeda	15,075	9.0	14,711	9.0	364	2.5
	Tokyo	17,397	10.4	16,029	9.8	1,368	8.5
	Urawa Parco	1,013	0.6	1,046	0.6	(33)	(3.2)
	Kyoto	17,331	10.4	16,337	10.0	994	6.1
	Yamashina	1,009	0.6	1,045	0.6	(36)	(3.4)
	Kobe	21,776	13.1	20,010	12.3	1,766	8.8
	Suma	2,434	1.5	2,498	1.5	(64)	(2.6)
	Ashiya	1,764	1.1	1,800	1.1	(36)	(2.0)
	Sapporo	14,761	8.9	14,342	8.8	419	2.9
Matsuzakaya	Nagoya	31,546	18.9	29,407	18.0	2,139	7.3
	Ueno	11,810	7.1	12,056	7.4	(246)	(2.0)
	Shizuoka	5,992	3.6	5,541	3.4	451	8.1
	Takatsuki	2,390	1.4	2,360	1.4	30	1.3
	Toyota	2,114	1.3	2,112	1.3	2	0.1
	Ginza	—	—	5,266	3.2	(5,266)	—
Total		166,522	100.0	163,466	100.0	3,056	1.9
Total excluding Ginza		166,522	100.0	158,199	96.8	8,323	5.3

Notes: 1. Matsuzakaya Ginza store closed on June 30, 2013 for redevelopment of Ginza area and rebuilding.

2. The south building of Matsuzakaya Ueno store closed on March 11, 2014 for rebuilding.