

J. FRONT RETAILING Supplementary Information to Financial Results

1. Consolidated Results of Operations (Actual Results and Full Year Forecast)

(Unit: Millions of yen, %)

Item	Six months ended Aug 2014		Full year ending Feb 2015	
	Amount	YoY	Amount	YoY
1. Consolidated net sales	557,625	(0.2)	1,161,000	1.3
2. Consolidated gross margin	21.34 %	Change 0.04 %	21.27 %	Change (0.03) %
3. Consolidated gross profit	118,978	(0.0)	247,000	1.2
4. Consolidated SG&A	100,572	(0.5)	204,000	0.8
5. Consolidated operating income	18,406	2.7	43,000	2.8
6. Consolidated operating margin	3.3 %	Change 0.1 %	3.7 %	Change 0.1 %
7. Consolidated ordinary income	17,909	6.0	41,000	1.2
8. Consolidated ordinary income margin	3.2 %	Change 0.2 %	3.5 %	Change 0.0 %
9. Consolidated net income	7,801	(61.9)	19,000	(39.8)
10. Consolidated net income margin	1.4 %	Change (2.3) %	1.6 %	Change (1.2) %
11. Consolidated total assets	1,000,636	1,906	1,010,000	11,270
12. Consolidated equity	374,852	4,679	377,000	6,827
13. Consolidated equity margin	37.5 %	Change 0.4 %	37.3 %	Change 0.2 %
14. Consolidated interest-bearing debt	171,942	(16,008)	184,000	(3,950)
15. Consolidated financial balance	(271)	145	(800)	88
16. Number of consolidated subsidiaries	28 companies	0 companies	28 companies	0 companies
17. Number of equity method affiliates	8 companies	0 companies	8 companies	0 companies
18. Cash flows from operating activities	25,254	(6,526)	35,000	(2,532)
19. Cash flows from investing activities	(8,703)	(3,308)	(36,000)	(27,142)
20. Cash flows from financing activities	(20,092)	7,583	(12,000)	20,027
21. Return on equity (ROE)	2.1 %	Change (3.7) %	5.1 %	Change (3.8) %
22. Return on assets (ROA)	1.8 %	Change 0.0 %	4.3 %	Change 0.1 %
23. Return on investment (ROI)	3.2 %	Change 0.1 %	7.3 %	Change 0.0 %
24. Interest-bearing debt to equity ratio	0.46 times	Change (0.06) times	0.49 times	Change (0.02) times
25. Interest-bearing debt to cash flow ratio	6.81 times	Change 0.87 times	5.26 times	Change 0.25 times

Notes: 1. Consolidated net income, consolidated operating income and consolidated ordinary income are used to calculate ROE, ROA and ROI, respectively.

2. YoY changes for six months ended Aug 2014 and full year ending Feb 2015 in Items 11, 12, 13, 14, 16 and 17 are comparisons with the previous year-end.

2. Financial Results by Consolidated Company (Actual Results and Full Year Forecast)

(Unit: Millions of yen, %)

Company name	Capital	Ownership percentage	Business	Six months ended Aug 2014				Full year ending Feb 2015			
				Net sales	Operating income	Ordinary income	Net income	Net sales	Operating income	Ordinary income	Net income
1. J. Front Retailing Co., Ltd.	30,000			6,035	4,686	4,747	4,707	11,100	8,400	8,500	8,400
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	10,000	100.0	Department store	325,626	7,574	7,282	3,869	675,100	20,700	18,600	10,100
3. The Hakata Daimaru, Inc.	3,037	69.9	Department store	27,797	904	778	418	59,000	2,630	2,290	1,230
4. The Shimonoseki Daimaru, Inc.	480	100.0	Department store	8,294	179	141	83	17,200	456	370	200
5. Kochi Daimaru Co., Ltd.	300	100.0	Department store	6,654	88	87	44	14,100	304	300	160
6. Parco Co., Ltd.	34,367	64.9	Shopping complex	119,661	6,080	6,084	3,587	248,400	11,500	11,350	6,550
7. Parco (Singapore) Pte Ltd	SGD 25M	64.9	Shopping complex	—	(123)	(82)	(82)	—	(184)	(143)	(143)
8. Neuve A Co., Ltd.	490	64.9	Specialty store	9,663	282	281	107	19,663	647	643	272
9. Parco Space Systems Co., Ltd.	490	64.9	Space engineering & management	9,232	118	129	65	19,257	343	363	170
10. Parco-City Co., Ltd.	10	64.9	Internet-related business	315	(11)	(11)	(11)	700	0	0	0
11. Daimaru Kogyo, Ltd.	1,800	100.0	Wholesale	28,162	505	534	323	61,200	1,080	1,105	674
12. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	USD 2M	100.0	Wholesale	988	7	10	7	2,400	20	19	11
13. Daimaru Kogyo (Thailand) Co., Ltd.	THB 202M	99.9	Wholesale	319	(4)	0	0	800	0	8	8
14. JFR Card Co., Ltd.	100	100.0	Credit	5,230	1,791	1,726	1,042	10,330	3,410	3,287	1,868
15. J. Front Design & Construction Co., Ltd.	100	100.0	Design & construction Manufacture & sale of furniture	13,914	301	304	(202)	28,700	660	668	0
16. JFR Online Co. Ltd.	100	100.0	Direct marketing	7,138	(126)	(125)	(126)	15,700	0	0	0
17. Dimples' Co., Ltd.	90	100.0	Staffing service	5,466	333	333	203	10,900	650	645	376
18. J. Front Foods Co., Ltd.	100	100.0	Restaurant	1,528	56	52	0	3,100	115	115	9
19. Daimaru COM Development Inc.	50	100.0	Real estate leasing Tenant service	1,002	160	155	93	2,040	310	301	164
20. Consumer Product End-Use Research Institute Co., Ltd.	450	100.0	Merchandise test Quality control	504	45	46	27	1,020	95	96	51
21. JFR Plaza Inc.	NTD 185M	90.0	General merchandise retail	145	(67)	(67)	(67)	430	(130)	(140)	(140)
22. Forest Co., Ltd.	90	72.9	Direct marketing	6,467	50	50	17	13,060	1	1	(19)
23. Angel Park Co., Ltd.	400	50.2	Parking	579	321	345	215	1,170	610	653	411
24. JFR Information Center Co., Ltd.	10	100.0	Information service	2,420	191	193	117	4,807	282	284	168
25. JFR Office Support Co., Ltd.	100	100.0	Commissioned back-office service	1,070	144	163	98	2,095	192	211	117
26. JFR Service Co. Ltd.	100	100.0	Leasing Parking management	2,410	84	85	37	4,557	137	138	64
27. JFR Consulting Co. Ltd.	100	100.0	Consulting	91	(8)	(8)	(7)	219	10	10	10
28. Daimaru Matsuzakaya Sales Associates Co. Ltd.	90	100.0	Commissioned sales & store operations	4,914	111	110	60	9,935	293	291	169
29. Daimaru Matsuzakaya Tomonokai Co., Ltd.	100	100.0	Special repayment-based transaction	1,149	(238)	285	151	2,409	(554)	237	103

3-1. Daimaru Matsuzakaya Department Stores Results of Operations (Actual Results and Full Year Forecast)

(Unit: Millions of yen, %)

Item	Six months ended Aug 2014		Full year ending Feb 2015	
	Amount	YoY	Amount	YoY
1. Net sales	325,626	(1.5)	675,100	(0.5)
2. Gross margin	23.69 %	Change (0.21) %	23.66 %	Change (0.14) %
3. Gross profit	77,145	(2.4)	159,700	(1.1)
4. SG&A	69,570	(2.7)	139,000	(1.9)
5. Operating income	7,574	0.6	20,700	5.3
6. Operating margin	2.3 %	Change 0.0 %	3.1 %	Change 0.2 %
7. Ordinary income	7,282	8.9	18,600	3.3
8. Ordinary income margin	2.2 %	Change 0.2 %	2.8 %	Change 0.1 %
9. Net income	3,869	802.7	10,100	34.5
10. Net income margin	1.2 %	Change 1.1 %	1.5 %	Change 0.4 %
11. Total assets	368,009	(1,170)	369,400	221
12. Equity	90,530	1,461	93,600	4,531
13. Interest-bearing debt	94,099	(6,476)	94,000	(6,575)
14. Financial balance	32	176	(500)	193
15. Cash flows from operating activities	13,941	74	26,300	5,243
16. Cash flows from investing activities	(4,670)	3,462	(14,300)	(9,564)
17. Cash flows from financing activities	(9,186)	(2,789)	(12,400)	5,472
18. Return on equity (ROE)	4.3 %	Change 3.8 %	11.1 %	Change 2.4 %
19. Return on assets (ROA)	2.1 %	Change 0.1 %	5.6 %	Change 0.4 %
20. Return on investment (ROI)	3.9 %	Change 0.5 %	9.9 %	Change 0.6 %

Notes: 1. Net income, operating income and ordinary income are used to calculate ROE, ROA and ROI, respectively.

2. YoY changes for six months ended Aug 2014 and full year ending Feb 2015 in Items 11, 12 and 13 are comparisons with the previous year-end.

3-2. Daimaru Matsuzakaya Department Stores Sales by Store (Actual Results and Full Year Forecast)

(Unit: Millions of yen, %)

Store	Term	Six months ended Aug 2014		Full year ending Feb 2015	
		Amount	YoY	Amount	YoY
Daimaru	Osaka Shinsaibashi	40,127	(0.0)	83,250	(1.0)
	Osaka Umeda	30,254	3.0	64,020	4.0
	Tokyo	34,433	6.2	71,130	6.2
	Urawa Parco	1,999	(4.8)	4,130	(3.9)
	Kyoto	34,079	2.5	70,510	2.1
	Yamashina	2,079	(2.7)	4,250	(2.4)
	Kobe	41,436	3.2	86,680	1.7
	Suma	4,947	(3.6)	10,170	(3.6)
	Ashiya	3,629	(2.9)	7,440	(2.8)
	Sapporo	28,738	0.9	61,200	2.1
Matsuzakaya	Nagoya	61,450	2.7	125,770	1.3
	Ueno	22,157	(8.3)	44,780	(8.8)
	Shizuoka	11,381	2.5	23,580	1.4
	Takatsuki	4,796	(0.2)	9,720	(1.0)
	Toyota	4,116	(2.0)	8,470	(2.4)
Total		325,626	(1.5)	675,100	(0.5)
Total excluding Matsuzakaya Ginza		325,626	1.4	675,100	1.0

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

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