Translation

April 9, 2015

Consolidated Financial Results
for the Fiscal Year Ended 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 of ordinary general shareholders meeting: May 28, 2015
Scheduled date to commence dividend payments: May 8, 2015
Scheduled date to file Annual Securities Report: May 29, 2015
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, 2015 (from March 1, 2014 to February 28, 2015)

(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, 2015	1,149,529	0.3	42,091	0.7	40,404	(0.2)	19,918	(36.9)
February 28, 2014	1,146,319	4.9	41,816	35.5	40,502	25.8	31,568	159.1

Note: Comprehensive income
For the fiscal year ended February 28, 2015: ¥23,178 million [(37.8)%]
For the fiscal year ended February 28, 2014: ¥37,257 million [150.1%]

	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, 2015	75.47	75.47	5.3	4.0	3.7
February 28, 2014	119.55	119.53	8.9	4.0	3.6

Reference: Equity in earnings (losses) of affiliates
For the fiscal year ended February 28, 2015: ¥735 million
For the fiscal year ended February 28, 2014: ¥419 million

* The Company has conducted a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014. Net income per share and diluted net income per share have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(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, 2015	1,018,700	430,465	36.9	1,425.05
February 28, 2014	998,730	422,215	37.1	1,402.53

Reference: Equity
As of February 28, 2015: ¥376,091 million
As of February 28, 2014: ¥370,173 million

* The Company has conducted a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014. Net assets per share has been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(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, 2015	44,650	(16,272)	(27,587)	32,132
February 28, 2014	37,532	(8,858)	(32,027)	31,276

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 28, 2014	–	5.00	–	6.00	11.00	5,810	18.4	1.6
Fiscal year ended February 28, 2015	–	6.00	–	13.00	–	6,600	33.1	1.8
Fiscal year ending February 29, 2016 (Forecast)	–	13.00	–	13.00	26.00		24.5	

* The Company has conducted a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014. Consequently, the figures presented for the fiscal year-end cash dividends per share for the fiscal year ended February 28, 2015 is the amount after this consolidation of shares, and the total figures for annual cash dividends are omitted.

Annual cash dividends per share that are calculated in accordance with the standard after the consolidation of shares are ¥22 per share for the fiscal year ended February 28, 2014 and ¥25 per share for the fiscal year ended February 28, 2015.

3. Consolidated earnings forecasts for the fiscal year ending February 29, 2016 (from March 1, 2015 to February 29, 2016)

(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, 2015	571,000	2.4	19,500	5.9	17,900	(0.1)	16,500	111.5	62.52
Fiscal year ending February 29, 2016	1,177,000	2.4	45,000	6.9	42,500	5.2	28,000	40.6	106.10

* Notes

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

(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: Yes

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 shares)

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

As of February 28, 2015	268,119,164 shares
As of February 28, 2014	268,119,164 shares

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

As of February 28, 2015	4,205,258 shares
As of February 28, 2014	4,186,297 shares

c. Average number of shares during the period

For the fiscal year ended February 28, 2015	263,920,073 shares
For the fiscal year ended February 28, 2014	264,062,453 shares

* The Company has conducted a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014. Total number of issued shares at the end of the period, number of shares of treasury shares at the end of the period and average number of shares during the period have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

<Reference> Non-consolidated performance

Non-consolidated performance for the fiscal year ended February 28, 2015 (from March 1, 2014 to February 28, 2015)

(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, 2015	11,147	24.1	8,391	33.6	8,460	32.2	8,388	(32.4)
February 28, 2014	8,983	(60.5)	6,280	(69.2)	6,398	(68.0)	12,405	(37.8)

	Net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
February 28, 2015	31.77	31.77
February 28, 2014	46.96	46.95

* The Company has conducted a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014. Net income per share and diluted net income per share have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

(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, 2015	429,226	308,681	71.9	1,169.12
February 28, 2014	438,491	306,654	69.9	1,161.36

Reference: Equity

As of February 28, 2015: ¥308,665 million

As of February 28, 2014: ¥306,638 million

* The Company has conducted a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014. Net assets per share have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

*** 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 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 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 Japanese economy in the current fiscal year, there were signs of improvements in corporate results and the employment environment partly due to the effects of the economic and financial policies of the government and the Bank of Japan. However, the stagnation in personal consumption that occurred following the consumption tax rate hike in April 2014 continued, and the economic recovery remained moderate.

In the retail sector, there was a substantial year-on-year increase in net sales 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, and net sales to foreign visitors to Japan increased as well. Nevertheless, this sector also experienced a pullback in demand immediately after the consumption tax hike and a subsequent slump in consumer sentiment. As a result, the pace of the recovery in sales remained moderate.

Amid this environment, the J. Front Retailing Group (hereinafter the “Group”) started its “FY 2014 - FY 2016 Medium-term Business Plan.” Under this plan, with the aim of developing as a multi-channel retailer operating multiple businesses with the Department Store Business at their core, 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 pressed ahead with 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 part of these efforts, the Group worked to meet the needs of the firmly performing affluent customer market by expanding luxury brand services, implementing large-scale refurbishments of food market spaces, and making aggressive efforts to acquire new out-of-store customers. The Group also strengthened its response to foreign visitors to Japan, who are dramatically growing in number.

In the PARCO Business, a new building opened at the Fukuoka PARCO in November, and floor space in the adjacent building was increased in March 2015. Moreover, the decision was taken to open a new building in the area around the west exit of Sendai station in 2016. At existing stores, PARCO Co., Ltd. worked to enhance store appeal and strengthen competitiveness further by creating sales spaces that utilize the respective characteristics of stores and providing information.

Meanwhile, the Group has been pushing ahead with initiatives centered on the Department Store Business and the PARCO Business for the Group’s unique “omni-channel retailing,” which has growth potential as a new business, providing customers with various forms of information, products and services through diverse sales channels including physical stores and internet mail order retailing.

Regarding the urban redevelopment project in the Ginza 6-chome district, a commercial facility opening preparation office was established in September and started full-fledged tenant leasing with the aim of developing a commercial facility fit for the globally renowned Ginza district. At the Matsuzakaya Ueno store, the South Wing was closed in March 2014 and a start was made on rebuilding work to turn it into a new complex containing commercial facilities in partnership with PARCO.

With respect to overseas operations, Shanghai New World Daimaru Department Store, a fully-fledged upscale department store in China operated as a joint venture, has been opened in stages since February, with full opening planned for May 2015. At JFR PLAZA, which operates general retailing stores “PLAZA TOKYO” in Taiwan, three new stores were opened, bringing the total number of stores to seven.

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 current fiscal year, net sales was ¥1,149,529 million, up 0.3% year on year, operating income was ¥42,091 million, up 0.7%, ordinary income was ¥40,404 million, down 0.2%, and net income was ¥19,918 million, down 36.9%.

J. FRONT RETAILING Co., Ltd. (hereinafter the “Company”) has decided to pay a year-end dividend of ¥13 per share. The Company has conducted a consolidation of common shares at a rate of one share for every two shares with the effective date of September 1, 2014. With the addition of an interim dividend of ¥12 per share calculated in accordance with the standard after the consolidation of shares, the annual dividend is ¥25 per share, marking a year-on-year increase of ¥3.

Results by segment are as follows.

<Department Store Business>

At the Department Store Business, in order to establish “A new department store business model,” we continually pushed ahead with efforts to create appealing stores and enhance their competitiveness in all regions. We also focused efforts on various measures targeting affluent consumers and foreign visitors to Japan, who showed strong consumer confidence. As part of these measures, we worked to acquire new out-of-store customers in all regions and exceeded the target number of members. Furthermore, in order to strengthen our response to foreign visitors to Japan, who are growing in number every year, we established a position in charge of Inbound Business Promotion. In consideration of the widening of the range of duty free items from October, we not only worked to expand our range of products that respond to the needs of foreign visitors but also introduced a new system to speed up duty free procedures, and enhanced store environments by such means as expanding spaces for serving customers and introducing Wi-Fi connectivity. As a result, sales of duty free products increased substantially. In addition, we pushed ahead with introductions and expansions of luxury brands at stores including Daimaru Sapporo and Matsuzakaya Nagoya in order to meet needs in the strong upscale goods market.

At the Matsuzakaya Ueno store, whose South Wing was closed in March 2014 for rebuilding, the refurbished Main Building was opened as a more convenient department store offering products and services that are tailored to the lifestyles of nearby residents. At the Daimaru Kyoto store, aiming to create an impressive department store that continually projects an contemporary image in the refined, mature Shijo Karasuma area of Kyoto, we introduced the “Table Plus” specialty food zone, which has already been introduced to the Daimaru Kobe store and the Matsuzakaya Nagoya store, and new features including prepared foods from well-established Japanese restaurants, and opened the refurbished store in June. In addition, we opened the first Tokyu Hands in the Kyoto area as a new store located in the vicinity, which contributed to an increase in visitors to the area. In October, we upgraded the exterior of the Daimaru Kyoto store with a modern design that incorporates traditional styles. At the Hakata Daimaru Fukuoka Tenjin store, we refurbished the basement first floor of its East Building, transforming it into a specialty zone to be enjoyed by the whole family, particularly children.

In our “omni-channel retailing” initiatives, we worked to expand the items, brands and services handled in “Click & Collect,” through which customers can collect products they have ordered on the internet at home or at their preferred physical store, and “Net de Auction,” through which artworks are sold via the internet in a bidding process.

At the original merchandising business, in which we aim to improve profitability by integrating operations from buying to sale, we strengthened our efforts to develop and sell originally developed products that meet customer needs in areas including women’s shoes as well as men’s and women’s miscellaneous goods.

As a result of various initiatives including those mentioned above, net sales in this business was ¥759,866 million, down 1.2% year on year partly due to the impact of closing of the Matsuzakaya Ginza store and the South Wing of the Matsuzakaya Ueno store, while operating income was ¥23,115 million, up 0.6%.

<PARCO Business>
At the PARCO Business, we pushed ahead with expansion in the network of business bases in city centers. At the Fukuoka PARCO, following the opening in November of the new building, in March 2015 we increased the floor space in the building adjacent to the Main Building. Furthermore, we transformed this PARCO into a newsworthy store as one of the largest shopping centers in the Tenjin district by such means as bringing in a large number of tenants opening their first stores in Kyushu in a wide variety of categories. In the ZERO GATE business, which develops and manages low- to medium-rise commercial facilities, Nagoya ZERO GATE, which is the largest facility in this format, was opened in October.

Among existing PARCO stores, we pushed ahead with refurbishments, particularly in urban stores, under the themes of expanding the core target, strengthening lifestyle proposals and responding to inbound demand, with the aim of making the stores more appealing and strengthening their competitiveness. At the Shibuya PARCO we introduced innovative and newsworthy shops under the theme of global information provision, while at the Ikebukuro PARCO we introduced features including a webcasting studio and an animation character goods shop.

Furthermore, in March 2014, in anticipation of demand ahead of the consumption tax rate hike, we worked to strengthen our acquisition of PARCO card members in tandem with implementation of preferential membership plans, achieving a large increase in card business volume. In September, we started accepting Daimaru and Matsuzakaya gift certificates and common gift certificates for department stores nationwide at all PARCO stores.

We also promoted use of the internet with stores as foundations, expanded the number of stores handling the “Kaeru PARCO” mail order service provided in coordination with shop blogs and introduced “POCKET PARCO,” a smartphone application that provides timely shop information.

As a result of the various initiatives mentioned above, net sales in this business was ¥274,212 million, up 2.2% year on year, and operating income was ¥12,255 million, up 2.0% year on year.

<Wholesale Business>
At the Wholesale Business, despite strong sales in the fields of chemical products and animal products, sales in the fields of electronic devices and imported wholesale clothing and general goods struggled.

As a result of the above, net sales in this business was ¥59,371 million, down 6.2% year on year, and operating income was ¥1,067 million, down 5.3%.

<Credit Business>
At the Credit Business, we invested aggressively in personnel to develop credit card business at all Daimaru Matsuzakaya Department Stores and worked to acquire new card members. In addition, we achieved a year-on-year increase in card business volume in line with an increase in out-of-store Customer Gold Card members.

As a result, net sales in this business was ¥10,381 million, up 9.9% year on year, and operating income was ¥3,424 million, up 7.5%.

<Other Businesses>
In Other Businesses, net sales was ¥97,298 million, up 9.8% year on year, partly as a result of new addition of Forest which operates direct marketing business, while operating income was down 18.3% year on year to ¥2,418 million despite efforts to reduce selling, general and administrative expenses at each Group company.

B. Consolidated earnings forecasts for the next fiscal year

In our full-year consolidated earnings forecasts for the fiscal year ending February 29, 2016, we project net sales of ¥1,177,000 million, up 2.4%; operating income of ¥45,000 million, up 6.9%; ordinary income of ¥42,500 million, up 5.2%; and net income of ¥28,000 million, up 40.6%.

Our forecast for net income per share is ¥106.10.

(2) Analysis of financial position

A. Position of assets, liabilities, and net assets

Total assets as of February 28, 2015 was ¥1,018,700 million, an increase of ¥19,970 million compared with February 28, 2014. Total liabilities was ¥588,235 million, an increase of ¥11,720 million. Interest-bearing debt was ¥168,458 million, a decrease of ¥19,492 million.

Total net assets was ¥430,465 million, an increase of ¥8,250 million compared with February 28, 2014.

B. Cash flow position

The balance of cash and cash equivalents (hereinafter "cash") as of February 28, 2015 amounted to ¥32,132 million, up ¥856 million compared with February 28, 2014.

Cash flow positions in the current fiscal year and the factors for these were as follows.

Net cash provided by operating activities was ¥44,650 million. In comparison with the previous fiscal year, cash provided increased by ¥7,118 million.

Net cash used in investing activities was ¥16,272 million. In comparison with the previous fiscal year, cash used increased by ¥7,414 million because of the absence of the proceeds from sales of shares of subsidiaries.

Net cash used in financing activities was ¥27,587 million. In comparison with the previous fiscal year, cash used decreased by ¥4,440 million, because of the decrease in repayments of loans payable.

<Reference> Trends in cash flow indicators

	Fiscal year ended February 28, 2011	Fiscal year ended February 29, 2012	Fiscal year ended February 28, 2013	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Equity ratio (%)	41.0	43.4	33.8	37.1	36.9
Market value equity ratio (%)	29.1	28.2	28.7	34.0	44.4
Interest-bearing debt to cash flow ratio (%)	510.8	435.2	818.8	500.8	377.3
Interest coverage ratio (times)	12.3	16.1	14.1	21.0	29.2

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 shares).
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 sheet. Furthermore, regarding the paid interest, we use the interest expenses paid recorded on the consolidated statement 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% or more, 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.

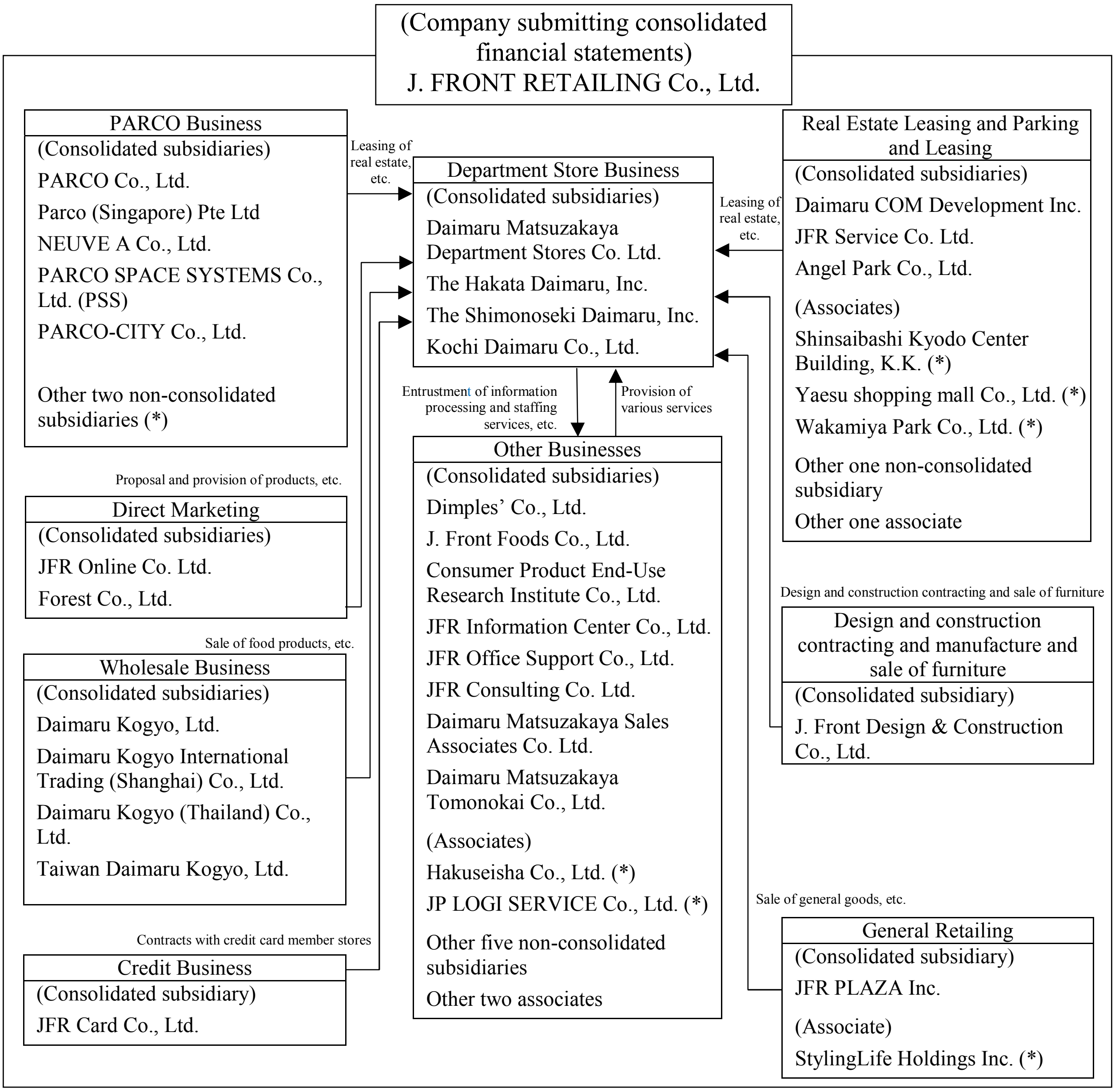
With respect to internal reserves, the Company intends to enhance corporate value by using them for such purposes as investing in store refurbishments and business expansions to strengthen sales, as well as strengthening the Company's financial standing.

The Company has decided to pay an annual dividend of ¥25 per share in the current fiscal year, including an interim dividend of ¥12 per share, as calculated in accordance with the standard after the consolidation of shares.

For the next fiscal year, the Company plans to pay an annual dividend of ¥26 per share, comprising an interim dividend of ¥13 per share and a year-end dividend of ¥13 per share.

2. Overview of the corporate group

The corporate group consists of the Company, 37 subsidiaries and nine associates. Its principal business is the Department Store Business, and its other businesses include the PARCO 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. The liquidation of PARCO Consulting (SUZHOU) Co., Ltd. was completed on August 18, 2014.
4. Taiwan Daimaru Kogyo, Ltd. was established on January 7, 2015.

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 all constituent companies 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-channel 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, profitability 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 ROE and consolidated ROA, having positioned them as important management benchmarks.

(3) Medium and long term management strategies

The Group has started its "FY 2014 - FY 2016 Medium-term Business Plan."

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 not only continue to push ahead with efforts to establish a new department store business model, but also strengthen its initiatives as a multi-channel retailer that also consists of PARCO, StylingLife Holdings and Forest, thus meeting diverse customer needs and dramatically strengthening the competiveness and profitability of the Group. In this way, we will enhance corporate value and earn the funds for our growth in 2017 and after.

By using the management resources of the Group, we also will push ahead with efforts in fields we consider to have medium and long term growth potential for the Group. Specifically, we will construct a foundation for a business model for growth along with the regions in which we operate with our stores at the core of such growth (strategy of urban market dominance) and promote omni-channel retailing.

In addition, we will work to expand the breadth of our businesses as a multi-channel retailer by actively pursuing mergers and acquisitions and joint ventures with external companies.

In order to put these strategies into practice, we will promote management that puts emphasis on human resources and values diversity, and foster a corporate culture that values creation and challenges. While we expand the Group and promote diversity in our workforce, we will also work to ensure thoroughgoing compliance and CSR operations.

(4) Issues to be addressed

There are signs of an upturn in consumer sentiment partly reflecting the postponement of a planned further rise in the consumption tax rate and improvements in the employment and income environments. Nevertheless, in the distribution sector, amid further population and birthrate declines and the aging of society, competition is expected to intensify further regardless of business area or type, and the operating environment surrounding the Group is expected to remain difficult.

In order to respond to this situation correctly, as part of the Group's aim to grow and develop as a multi-channel retailer, we will continue to push ahead with its Medium-term Business Plan and work to further strengthen the competitiveness and profitability of existing businesses while also vigorously investing management resources in fields of growth in a focused manner.

In our core Department Store Business, we will work to create appealing stores that attract a wide range of customers and realize a highly profitable business model by ensuring our efforts to create "A new department store business model." To achieve these aims, we will review our operation management structure at each of our stores to more fully leverage their individual characteristics and strengthen our response to regional market needs. As part of this, we will focus resources on four shops: the Matsuzakaya Nagoya store, which is undergoing large-scale refurbishment, and also the Daimaru Kobe, Daimaru Tokyo and Daimaru Sapporo stores. Furthermore, in the out-of-store business, which is an area of strength for the Department Store Business, we will continue strengthening our efforts to acquire new customers and work to enhance both our product lineup and our direct customer services in line with the needs of such customers. We will also redouble our efforts to create sales spaces and provide services that are responsive to the needs of foreign visitors to Japan, who are expected to continue to grow in number. In the original merchandising business, we will work to create new-concept sales spaces and strengthen product development, and aim to expand sales and improve profits.

In the PARCO Business, we will not only expand our targeted range of customer segments but also develop new business types and ways of arranging sales spaces; further develop each of our two types of management structure, Urban Complexes and Community Complexes; and strengthen our operations in areas including information provision over the internet and responses to inbound tourism. In parallel, we will continue working to secure stable profits by expanding our network of business bases through new store openings in city centers and floor space increases.

In addition, we will aim to grow along with the regions in which we operate with our stores at the core of such growth. Our efforts in this respect will include newly developing commercial facilities in the areas around existing stores and will be centered on major urban areas, where the population is increasingly concentrated. In this way, we will push ahead with constructing a highly profitable business model with a view to strengthening our business foundations for the future. In the Tokyo area, we aim to press ahead with the urban redevelopment project in the Ginza 6-chome district and open it as a world-class quality commercial facility in 2016. We will also push ahead with our plan for the rebuilding of the South Wing of the Matsuzakaya Ueno store and create an appealing store in partnership with PARCO and the area, with the aim of opening the building in 2017.

Meanwhile, in order to accelerate our initiatives to handle new business using information and communications technology, we established a new position in charge of Group ICT Strategy Promotion in March 2015, and work to expand and enhance the Group's unique "omni-channel retailing," which features a combination of diverse sales channels including physical stores and internet selling.

With respect to overseas business, we will steadily develop our operations in Asian regions, primarily through operation of Shanghai New World Daimaru Department Store in China and by developing an extensive store network for JFR PLAZA in Taiwan.

Furthermore, we will expand and develop business in fields with high growth and earnings potential by vigorously pursuing mergers and acquisitions, alliances and the like with high-quality, high-added-value companies with the potential for synergistic effects with existing businesses.

In addition, as part of our growth strategy, we will push ahead with diversity management utilizing diverse human resources, including employing foreign students and external human resources, and promoting active workplace participation by women. We will also work to create new structures for training and optimal allocation of human resources.

Furthermore, we will not only reflect the results of these initiatives in net sales and profits, but also work to enhance shareholder returns and aim to improve our ROE (return on equity). In parallel, partly in preparation for the "Corporate Governance Code," which is scheduled for application from June, we will aim for sustainable improvement in corporate value by strengthening our governance system and ensuring thoroughgoing compliance operations.

We appreciate the continued support and encouragement of our shareholders.

4. Consolidated financial statements

(1) Consolidated balance sheet

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Assets		
Current assets		
Cash and deposits	34,728	34,106
Notes and accounts receivable - trade	66,265	75,556
Securities	400	1,353
Inventories	29,690	31,204
Deferred tax assets	11,663	12,182
Other	32,502	38,058
Allowance for doubtful accounts	(221)	(151)
Total current assets	175,031	192,310
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	183,380	187,935
Land	349,701	349,578
Construction in progress	115,273	114,097
Other, net	5,199	5,192
Total property, plant and equipment	653,554	656,804
Intangible assets		
Goodwill	2,638	2,005
Other	40,825	41,001
Total intangible assets	43,463	43,007
Investments and other assets		
Investment securities	39,792	37,516
Long-term loans receivable	1,537	1,506
Lease and guarantee deposits	65,566	61,985
Net defined benefit asset	–	11,864
Deferred tax assets	3,074	4,159
Other	19,289	12,067
Allowance for doubtful accounts	(2,651)	(2,564)
Total investments and other assets	126,608	126,535
Total non-current assets	823,626	826,346
Deferred assets		
Bond issuance cost	72	43
Total deferred assets	72	43
Total assets	998,730	1,018,700

(Millions of yen)

	As of February 28, 2014	As of February 28, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	86,501	95,020
Short-term loans payable	31,265	22,220
Commercial papers	32,192	28,691
Current portion of bonds	–	12,000
Income taxes payable	4,999	12,702
Advances received	18,651	18,656
Gift certificates	37,853	37,973
Provision for bonuses	5,710	5,630
Provision for directors’ bonuses	201	194
Provision for sales returns	27	22
Provision for books unsold	129	113
Provision for sales promotion expenses	736	722
Reserve for gift certificates	12,331	13,241
Provision for loss on business liquidation	94	121
Provision for loss on stores rebuilding	–	760
Other	52,429	57,392
Total current liabilities	283,124	305,463
Non-current liabilities		
Bonds payable	24,000	12,000
Long-term loans payable	100,492	93,546
Deferred tax liabilities	104,890	101,486
Deferred tax liabilities for land revaluation	1,279	1,279
Provision for retirement benefits	17,049	–
Net defined benefit liability	–	31,514
Provision for directors’ retirement benefits	56	39
Provision for loss on stores rebuilding	1,320	–
Other	44,300	42,905
Total non-current liabilities	293,390	282,771
Total liabilities	576,515	588,235
Net assets		
Shareholders’ equity		
Capital stock	30,000	30,000
Capital surplus	209,557	209,556
Retained earnings	134,178	147,760
Treasury shares	(6,343)	(6,369)
Total shareholders’ equity	367,392	380,947
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,357	2,352
Deferred gains or losses on hedges	(25)	(35)
Foreign currency translation adjustment	449	659
Remeasurements of defined benefit plans	–	(7,832)
Total accumulated other comprehensive income	2,780	(4,855)
Subscription rights to shares	15	15
Minority interests	52,025	54,357
Total net assets	422,215	430,465
Total liabilities and net assets	998,730	1,018,700

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

(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Net sales		
Net sales of goods	1,136,124	1,138,801
Rent income of real estate	10,195	10,727
Total net sales	1,146,319	1,149,529
Cost of sales		
Cost of goods sold	896,153	899,379
Cost of real estate rent	6,035	6,486
Total cost of sales	902,189	905,865
Gross profit	244,130	243,663
Selling, general and administrative expenses		
Advertising expenses	31,744	30,319
Provision of allowance for doubtful accounts	28	280
Directors' compensations, salaries and allowances	51,394	50,413
Provision for bonuses	5,205	5,402
Provision for directors' bonuses	201	194
Retirement benefit expenses	4,133	4,355
Provision for directors' retirement benefits	17	6
Welfare expenses	11,161	10,687
Depreciation	15,994	16,023
Rent expenses	27,713	28,366
Operational costs	17,317	16,567
Amortization of goodwill	349	632
Other	37,051	38,323
Total selling, general and administrative expenses	202,313	201,572
Operating income	41,816	42,091
Non-operating income		
Interest income	391	372
Dividend income	461	434
Gain on adjustment of account payable	3,191	3,084
Share of profit of entities accounted for using equity method	419	735
Other	786	785
Total non-operating income	5,251	5,411
Non-operating expenses		
Interest expenses	1,741	1,481
Loss on retirement of non-current assets	608	784
Provision of reserve for redemption of gift certificates	3,585	3,550
Other	630	1,282
Total non-operating expenses	6,566	7,098
Ordinary income	40,502	40,404

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Extraordinary income		
Gain on sales of non-current assets	1,628	84
Gain on sales of investment securities	199	2,811
Gain on sales of shares of subsidiaries and associates	18,479	–
Compensation income	4,711	–
Other	85	–
Total extraordinary income	25,105	2,896
Extraordinary losses		
Loss on disposal of non-current assets	3,812	1,894
Loss on valuation of investment securities	25	36
Impairment loss	1,463	965
Loss on stores rebuilding	3,235	–
Business structure improvement expenses	4,725	–
Construction indemnification expenses	–	650
Loss on liquidation of business	110	654
Other	892	209
Total extraordinary losses	14,265	4,411
Income before income taxes and minority interests	51,342	38,888
Income taxes - current	11,371	16,396
Income taxes - deferred	5,352	(500)
Total income taxes	16,724	15,896
Income before minority interests	34,618	22,992
Minority interests in income	3,049	3,073
Net income	31,568	19,918

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Income before minority interests	34,618	22,992
Other comprehensive income		
Valuation difference on available-for-sale securities	2,289	2
Deferred gains or losses on hedges	(51)	(5)
Foreign currency translation adjustment	283	242
Share of other comprehensive income of entities accounted for using equity method	118	(52)
Total other comprehensive income	2,639	186
Comprehensive income	37,257	23,178
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,125	20,114
Comprehensive income attributable to minority interests	3,131	3,064

(3) Consolidated statement of changes in equity

Fiscal year ended February 28, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,000	209,563	107,629	(6,098)	341,095
Changes of items during period					
Dividends of surplus			(5,019)		(5,019)
Net income			31,568		31,568
Purchase of treasury shares				(320)	(320)
Disposal of treasury shares		(5)		75	69
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(5)	26,548	(245)	26,297
Balance at end of current period	30,000	209,557	134,178	(6,343)	367,392

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	68	6	149	–	223	15	49,333	390,667
Changes of items during period								
Dividends of surplus								(5,019)
Net income								31,568
Purchase of treasury shares								(320)
Disposal of treasury shares								69
Net changes of items other than shareholders' equity	2,288	(31)	300	–	2,556	–	2,692	5,249
Total changes of items during period	2,288	(31)	300	–	2,556	–	2,692	31,547
Balance at end of current period	2,357	(25)	449	–	2,780	15	52,025	422,215

Fiscal year ended February 28, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	30,000	209,557	134,178	(6,343)	367,392
Changes of items during period					
Dividends of surplus			(6,336)		(6,336)
Net income			19,918		19,918
Purchase of treasury shares				(39)	(39)
Disposal of treasury shares		(1)		14	12
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(1)	13,581	(25)	13,554
Balance at end of current period	30,000	209,556	147,760	(6,369)	380,947

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	2,357	(25)	449	–	2,780	15	52,025	422,215
Changes of items during period								
Dividends of surplus								(6,336)
Net income								19,918
Purchase of treasury shares								(39)
Disposal of treasury shares								12
Net changes of items other than shareholders' equity	(4)	(9)	210	(7,832)	(7,636)	–	2,331	(5,304)
Total changes of items during period	(4)	(9)	210	(7,832)	(7,636)	–	2,331	8,250
Balance at end of current period	2,352	(35)	659	(7,832)	(4,855)	15	54,357	430,465

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	51,342	38,888
Depreciation	17,698	17,963
Impairment loss	3,265	985
Amortization of goodwill	349	632
Increase (decrease) in allowance for doubtful accounts	(501)	(156)
Increase (decrease) in provision for bonuses	(347)	(86)
Increase (decrease) in provision for retirement benefits	(4,722)	–
Increase (decrease) in net defined benefit liability	–	2,399
Decrease (increase) in net defined benefit asset	–	(535)
Increase (decrease) in provision for sales promotion expenses	43	(13)
Increase (decrease) in provision for loss on business liquidation	24	26
Increase (decrease) in reserve for gift certificates	902	909
Increase (decrease) in provision for loss on stores rebuilding	1,320	(560)
Interest and dividend income	(853)	(806)
Interest expenses	1,741	1,481
Share of (profit) loss of entities accounted for using equity method	(419)	(735)
Loss (gain) on sales of non-current assets	(1,628)	(64)
Loss (gain) on disposal of non-current assets	3,812	1,894
Loss (gain) on sales of investment securities	(51)	(2,811)
Loss (gain) on valuation of investment securities	25	36
Compensation income	(4,711)	–
Loss (gain) on sales of shares of subsidiaries and associates	(18,479)	–
Decrease (increase) in notes and accounts receivable - trade	(2,989)	(9,288)
Decrease (increase) in inventories	(952)	(1,513)
Increase (decrease) in notes and accounts payable - trade	2,821	8,519
Decrease (increase) in accounts receivable - other	(2,616)	(4,170)
Decrease (increase) in long-term prepaid expenses	10	416
Other, net	(6,664)	1,710
Subtotal	38,420	55,120
Interest and dividend income received	704	677
Interest expenses paid	(1,790)	(1,530)
Income taxes paid	(16,192)	(10,405)
Income taxes refund	9,950	788
Payments for cancellation of rental contracts	(999)	–
Proceeds from compensation	7,438	–
Net cash provided by (used in) operating activities	37,532	44,650

(Millions of yen)

	Fiscal year ended February 28, 2014	Fiscal year ended February 28, 2015
Cash flows from investing activities		
Purchase of short-term and long-term investment securities	(1,530)	(1,056)
Proceeds from sales of short-term and long-term investment securities	3,536	6,020
Purchase of property, plant and equipment and intangible assets	(49,514)	(23,606)
Proceeds from sales of property, plant and equipment and intangible assets	3,341	133
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,947)	–
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	27,649	–
Decrease (increase) in short-term loans receivable	10	(33)
Payments of long-term loans receivable	(8)	(47)
Collection of long-term loans receivable	144	51
Other, net	9,459	2,266
Net cash provided by (used in) investing activities	(8,858)	(16,272)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(34,713)	(4,962)
Net increase (decrease) in commercial papers	12,193	(3,500)
Proceeds from long-term loans payable	25,500	6,000
Repayments of long-term loans payable	(27,274)	(17,034)
Redemption of bonds	(1,000)	–
Purchase of treasury shares	(114)	(64)
Cash dividends paid	(4,987)	(6,312)
Cash dividends paid to minority shareholders	(733)	(734)
Other, net	(897)	(979)
Net cash provided by (used in) financing activities	(32,027)	(27,587)
Effect of exchange rate change on cash and cash equivalents	53	65
Net increase (decrease) in cash and cash equivalents	(3,299)	856
Cash and cash equivalents at beginning of period	34,576	31,276
Cash and cash equivalents at end of period	31,276	32,132

(5) Notes on consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Changes in accounting policies)

(Adoption of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits)

The “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012) were adopted effective as of February 28, 2015; provided however, they were adopted except for the provisions specified in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on the Accounting Standard for Retirement Benefits. Under the new accounting policy, the amount of retirement benefit obligations net of plan assets is recorded as net defined benefit liability and net defined benefit asset, while the unrecognized actuarial gains and losses and unrecognized prior service cost are recorded in net defined benefit liability and net defined benefit asset.

Adoption of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits is in line with transitional treatment provided in Paragraph 37 of the Accounting Standard for Retirement Benefits. In accordance with such measures, the effect of the change has been added to, or deducted from remeasurements of defined benefit plans in accumulated other comprehensive income as of February 28, 2015.

As a result, as of February 28, 2015, net defined benefit asset of ¥11,864 million and net defined benefit liability of ¥31,514 million were recorded. In addition, accumulated other comprehensive income decreased by ¥7,832 million.

(Additional information)

Note on change in rates of income taxes subsequent to balance sheet date

On March 31, 2015, the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 9 of 2015) and the “Act on Partial Revision of the Local Tax Act, etc.” (Act No. 2 of 2015) were promulgated, resulting in changes in the rates of income taxes for fiscal years beginning on or after April 1, 2015.

In accordance with these revisions, for temporary differences expected to be reversed in the fiscal year beginning on or after March 1, 2016, the effective statutory tax rate used to measure deferred tax assets and liabilities will be changed from 35.6% to 33.1%. In addition, for temporary differences expected to be reversed in fiscal years beginning on or after March 1, 2017, the effective statutory tax rate used to measure deferred tax assets and liabilities will be changed to 32.3%.

As a result of these changes, if remeasured based on the temporary differences as of February 28, 2015, deferred tax assets in current assets and non-current assets will decrease by ¥316 million and ¥206 million, respectively, deferred tax liabilities in non-current liabilities will decrease by ¥9,907 million, deferred tax liabilities for land revaluation will decrease by ¥118 million, while valuation difference on available-for-sale securities (credit) and income taxes - deferred (credit) will increase by ¥120 million and ¥9,383 million, respectively.

(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," "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 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, liabilities, 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. Net sales, profit or loss, assets, liabilities, and other items by reportable segment

Fiscal year ended February 28, 2014

(Millions of yen)

	Department Store Business	PARCO Business	Wholesale Business	Credit Business	Other Businesses	Total	Adjustments (Note 1)	Amounts on the consolidated financial statements (Note 2)
Net sales								
(1) External sales	767,907	268,031	55,043	4,768	50,546	1,146,297	22	1,146,319
(2) Inter-segment sales or transfers	1,021	260	8,229	4,676	38,030	52,218	(52,218)	–
Total sales	768,928	268,292	63,273	9,444	88,576	1,198,515	(52,196)	1,146,319
Segment profits	22,980	12,017	1,127	3,186	2,961	42,272	(455)	41,816
Segment assets	631,768	249,985	21,749	33,205	114,772	1,051,481	(52,750)	998,730
Other items								
Depreciation	10,627	5,896	154	10	1,170	17,859	(160)	17,698
Amounts invested in equity method companies	3,714	99	–	–	162	3,976	10,550	14,526
Increase in property, plant and equipment and intangible assets	14,205	36,406	239	12	1,490	52,354	(205)	52,148

Notes: 1. Adjustments are made as follows.

(1) The ¥455 million deducted from segment profits as adjustment includes a ¥2,247 million in inter-segment eliminations and a deduction of ¥2,703 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 ¥52,750 million deducted from segment assets as adjustment includes a deduction of ¥78,004 million in elimination of segment receivables, a deduction of ¥1,511 million in unrealized profit (loss) on non-current assets, and ¥25,954 million in assets of the company submitting consolidated financial statements that are not attributable to any reportable segment.

(3) The ¥160 million deducted from depreciation as adjustment consists of inter-segment transfers.

(4) The ¥10,550 million adjustment in amounts invested in equity method companies 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 ¥205 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, 2015

(Millions of yen)

	Department Store Business	PARCO Business	Wholesale Business	Credit Business	Other Businesses	Total	Adjustments (Note 1)	Amounts on the consolidated financial statements (Note 2)
Net sales								
(1) External sales	758,964	273,914	50,954	5,362	60,333	1,149,529	–	1,149,529
(2) Inter-segment sales or transfers	901	297	8,416	5,018	36,964	51,600	(51,600)	–
Total sales	759,866	274,212	59,371	10,381	97,298	1,201,129	(51,600)	1,149,529
Segment profits	23,115	12,255	1,067	3,424	2,418	42,281	(190)	42,091
Segment assets	629,972	256,531	24,296	38,593	111,970	1,061,363	(42,662)	1,018,700
Other items								
Depreciation	10,747	5,938	172	9	1,248	18,116	(152)	17,963
Amounts invested in equity method companies	3,861	105	–	–	163	4,130	11,308	15,438
Increase in property, plant and equipment and intangible assets	10,359	11,624	145	5	1,217	23,353	(133)	23,219

Notes: 1. Adjustments are made as follows.

(1) The ¥190 million deducted from segment profits as adjustment includes a ¥2,565 million in inter-segment eliminations and a deduction of ¥2,755 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 ¥42,662 million deducted from segment assets as adjustment includes a deduction of ¥73,068 million in elimination of segment receivables, a deduction of ¥1,527 million in unrealized profit (loss) on non-current assets, and ¥30,307 million in assets of the company submitting consolidated financial statements that are not attributable to any reportable segment.

(3) The ¥152 million deducted from depreciation as adjustment consists of inter-segment transfers.

(4) The ¥11,308 million adjustment in amounts invested in equity method companies 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 ¥133 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.

<Related information>

Fiscal year ended February 28, 2014

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 statement 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 sheet.

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 statement of income.

Fiscal year ended February 28, 2015

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 statement 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 sheet.

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 statement of income.

<Impairment loss on non-current assets by reportable segment>

Fiscal year ended February 28, 2014

(Millions of yen)

	Department Store Business	PARCO Business	Wholesale Business	Credit Business	Other Businesses	Total	Corporate and elimination	Total
Impairment loss	3,095	70	–	–	99	3,265	–	3,265

Fiscal year ended February 28, 2015

(Millions of yen)

	Department Store Business	PARCO Business	Wholesale Business	Credit Business	Other Businesses	Total	Corporate and elimination	Total
Impairment loss	11	682	232	–	58	985	–	985

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

Fiscal year ended February 28, 2014

(Goodwill)

(Millions of yen)

	Department Store Business	PARCO Business	Wholesale Business	Credit Business	Other Businesses	Total	Corporate and elimination	Total
Amortization amount for the current fiscal year	–	349	–	–	–	349	–	349
Balance at the end of the current fiscal year	–	1,222	–	–	1,415	2,638	–	2,638

Note: Goodwill is the result of a business combination (acquisition of the shares of PARCO Co., Ltd. and Forest Co., Ltd.).

Fiscal year ended February 28, 2015

(Goodwill)

(Millions of yen)

	Department Store Business	PARCO Business	Wholesale Business	Credit Business	Other Businesses	Total	Corporate and elimination	Total
Amortization amount for the current fiscal year	–	349	–	–	283	632	–	632
Balance at the end of the current fiscal year	–	873	–	–	1,132	2,005	–	2,005

Note: Goodwill is the result of a business combination (acquisition of the shares of PARCO Co., Ltd. and Forest Co., Ltd.).

<Gain on bargain purchase by reportable segment>

Fiscal year ended February 28, 2014

Information has been omitted owing to lack of materiality.

Fiscal year ended February 28, 2015

No items to report.