

J. FRONT RETAILING Supplementary Information to Financial Results

1. Consolidated Results of Operations

(Unit: Millions of yen, %)

Item	Three months ended May 31, 2016	Three months ended May 31, 2015	Change	
			¥M	%
1. Consolidated net sales	268,776	285,585	(16,809)	(5.9)
2. Consolidated gross margin	21.26 %	21.05 %	/	Change 0.21 %
3. Consolidated gross profit	57,129	60,113	(2,984)	(5.0)
4. Consolidated SGA	47,810	49,436	(1,626)	(3.3)
5. Consolidated operating income	9,318	10,676	(1,358)	(12.7)
6. Consolidated operating margin	3.5 %	3.7 %	/	Change (0.2) %
7. Consolidated ordinary income	8,736	12,622	(3,886)	(30.8)
8. Consolidated ordinary income margin	3.3 %	4.4 %	/	Change (1.1) %
9. Consolidated profit attributable to owners of parent	8,484	17,085	(8,601)	(50.3)
10. Consolidated net profit margin	3.2 %	6.0 %	/	Change (2.8) %

2. Financial Results by Consolidated Company

(Unit: Millions of yen, %)

Company name	Capital	Ownership percentage	Business	Three months ended May 31, 2016			
				Net sales	Operating income	Ordinary income	Net income
1. J. Front Retailing Co., Ltd.	30,000			6,426	5,622	5,673	5,631
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	10,000	100.0	Department store	153,300	4,116	3,912	2,049
3. The Hakata Daimaru, Inc.	3,037	69.9	Department store	12,324	362	311	199
4. The Shimonoseki Daimaru, Inc.	480	100.0	Department store	3,523	6	(10)	(133)
5. Kochi Daimaru Co., Ltd.	300	100.0	Department store	3,082	42	43	26
6. Parco Co., Ltd.	34,367	64.9	Shopping complex	60,978	2,903	2,861	1,570
7. Parco (Singapore) Pte Ltd	SGD 4M	64.9	Shopping complex	—	(15)	(14)	(14)
8. Neuve A Co., Ltd.	490	64.9	Specialty store	5,167	39	46	19
9. Parco Space Systems Co., Ltd.	490	64.9	Space engineering & management	5,661	302	308	180
10. Parco-City Co., Ltd.	10	64.9	Internet-related business	242	21	21	19
11. Daimaru Kogyo, Ltd.	1,800	100.0	Wholesale	10,405	211	208	136
12. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	USD 2M	100.0	Wholesale	659	4	3	2
13. Daimaru Kogyo (Thailand) Co., Ltd.	THB 202M	99.9	Wholesale	240	1	4	4
14. Taiwan Daimaru Kogyo, Ltd.	NTD 60M	100.0	Wholesale	84	(4)	(3)	(3)
15. JFR Card Co., Ltd.	100	100.0	Credit	2,630	760	729	484
16. J. Front Design & Construction Co., Ltd.	100	100.0	Design & construction Manufacture & sale of furniture	11,556	489	490	328
17. JFR Online Co. Ltd.	100	100.0	Direct marketing	2,342	(212)	(212)	(212)
18. Dimples' Co., Ltd.	90	100.0	Staffing service	2,822	140	140	92
19. J. Front Foods Co., Ltd.	100	100.0	Restaurant	667	(4)	(6)	(6)
20. Daimaru COM Development Inc.	50	100.0	Real estate leasing Tenant service	547	93	100	65
21. Consumer Product End-Use Research Institute Co., Ltd.	450	100.0	Merchandise test Quality control	250	15	15	9
22. JFR Plaza Inc.	NTD 185M	90.0	General merchandise retail	165	(43)	(44)	(44)
23. Forest Co., Ltd.	90	72.9	Direct marketing	3,276	36	71	31
24. Angel Park Co., Ltd.	400	50.2	Parking	276	154	165	110
25. JFR Office Support Co., Ltd.	100	100.0	Commissioned back-office service	502	31	43	26
26. JFR Service Co. Ltd.	100	100.0	Leasing Parking management	1,337	31	31	13
27. JFR Consulting Co. Ltd.	100	100.0	Consulting	42	(2)	(2)	(2)
28. JFR Information Center Co., Ltd.	10	100.0	Information service	1,288	120	121	77
29. Daimaru Matsuzakaya Sales Associates Co. Ltd.	90	100.0	Commissioned sales & store operations	2,413	46	46	28
30. Daimaru Matsuzakaya Tomonokai Co., Ltd.	100	100.0	Specified prepaid transaction service	546	(118)	52	15

3. Daimaru Matsuzakaya Department Stores Results of Operations

(Unit: Millions of yen, %)

Item	Three months ended May 31, 2016	Three months ended May 31, 2015	Change	
			¥M	%
1. Net sales	153,300	164,573	(11,273)	(6.8)
2. Gross margin	23.69 %	23.63 %		Change 0.06 %
3. Gross profit	36,312	38,883	(2,571)	(6.6)
4. SGA	32,195	33,298	(1,103)	(3.3)
5. Operating income	4,116	5,584	(1,468)	(26.3)
6. Operating margin	2.7 %	3.4 %		Change (0.7) %
7. Ordinary income	3,912	5,468	(1,556)	(28.5)
8. Ordinary income margin	2.6 %	3.3 %		Change (0.7) %
9. Net income	2,049	3,555	(1,506)	(42.4)
10. Net income margin	1.3 %	2.2 %		Change (0.9) %

4. Daimaru Matsuzakaya Department Stores Sales by Store

(Unit: Millions of yen, %)

Store	Term	Three months ended May 31, 2016		Three months ended May 31, 2015		Change	
		Amount	Component ratio	Amount	Component ratio	¥M	%
Daimaru	Osaka Shinsaibashi	17,004	11.1	22,420	13.6	(5,416)	(24.2)
	Osaka Umeda	15,125	9.9	15,800	9.6	(675)	(4.3)
	Tokyo	18,290	11.9	17,791	10.8	499	2.8
	Urawa Parco	803	0.5	963	0.6	(160)	(16.5)
	Kyoto	15,838	10.3	16,911	10.3	(1,073)	(6.3)
	Yamashina	900	0.6	942	0.6	(42)	(4.5)
	Kobe	19,621	12.8	20,581	12.5	(960)	(4.7)
	Suma	2,138	1.4	2,296	1.4	(158)	(6.9)
	Ashiya	1,606	1.1	1,706	1.0	(100)	(5.8)
	Sapporo	14,419	9.4	14,988	9.1	(569)	(3.8)
Matsuzakaya	Nagoya	28,232	18.4	30,018	18.2	(1,786)	(5.9)
	Ueno	10,245	6.7	10,456	6.4	(211)	(2.0)
	Shizuoka	5,091	3.3	5,419	3.3	(328)	(6.0)
	Takatsuki	2,044	1.3	2,214	1.3	(170)	(7.7)
	Toyota	1,937	1.3	2,061	1.3	(124)	(6.0)
	Total	153,300	100.0	164,573	100.0	(11,273)	(6.8)

Note: The main building of Daimaru Shinsaibashi store temporarily closed on December 30, 2015 for rebuilding.