

J. FRONT RETAILING Supplementary Information to Financial Results

1. Consolidated Results of Operations

(Unit: Millions of yen, %)

Item	Nine months ended Nov 30, 2016	Nine months ended Nov 30, 2015	Change	
			¥M	%
1. Consolidated net sales	799,088	849,333	(50,245)	(5.9)
2. Consolidated gross margin	21.23 %	21.08 %	/	Change 0.15 %
3. Consolidated gross profit	169,610	179,010	(9,400)	(5.3)
4. Consolidated SGA	142,781	148,074	(5,293)	(3.6)
5. Consolidated operating income	26,828	30,936	(4,108)	(13.3)
6. Consolidated operating margin	3.4 %	3.6 %	/	Change (0.2) %
7. Consolidated ordinary income	25,932	31,833	(5,901)	(18.5)
8. Consolidated ordinary income margin	3.2 %	3.7 %	/	Change (0.5) %
9. Consolidated profit attributable to owners of parent	16,101	18,445	(2,344)	(12.7)
10. Consolidated profit margin	2.0 %	2.2 %	/	Change (0.2) %

2. Financial Results by Consolidated Company

(Unit: Millions of yen, %)

Company name	Capital	Ownership percentage	Business	Nine months ended Nov 30, 2016			
				Net sales	Operating income	Ordinary income	Profit
1. J. Front Retailing Co., Ltd.	30,000			12,792	10,436	10,099	8,637
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	10,000	100.0	Department store	460,327	11,796	10,636	6,353
3. The Hakata Daimaru, Inc.	3,037	69.9	Department store	37,987	1,088	882	564
4. The Shimonoseki Daimaru, Inc.	480	100.0	Department store	10,512	83	30	(115)
5. Kochi Daimaru Co., Ltd.	300	100.0	Department store	8,825	36	39	12
6. Parco Co., Ltd.	34,367	64.9	Shopping complex	179,289	8,510	8,946	4,507
7. Parco (Singapore) Pte Ltd	SGD 4M	64.9	Shopping complex	54	(39)	(38)	(38)
8. Neuve A Co., Ltd.	490	64.9	Specialty store	15,281	71	93	(56)
9. Parco Space Systems Co., Ltd.	490	64.9	Space engineering & management	15,380	548	562	385
10. Parco-City Co., Ltd.	10	64.9	Internet-related business	719	73	73	52
11. Daimaru Kogyo, Ltd.	1,800	100.0	Wholesale	34,100	1,103	1,153	780
12. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	USD 2M	100.0	Wholesale	2,391	45	54	48
13. Daimaru Kogyo (Thailand) Co., Ltd.	THB 202M	99.9	Wholesale	555	6	13	13
14. Taiwan Daimaru Kogyo, Ltd.	NTD 60M	100.0	Wholesale	272	(14)	(13)	(13)
15. JFR Card Co., Ltd.	100	100.0	Credit	8,087	2,212	2,111	1,400
16. J. Front Design & Construction Co., Ltd.	100	100.0	Design & construction Manufacture & sale of furniture	23,990	764	770	502
17. JFR Online Co. Ltd.	100	100.0	Direct marketing	6,852	(410)	(459)	(1,272)
18. Dimples' Co., Ltd.	90	100.0	Staffing service	8,798	450	451	292
19. J. Front Foods Co., Ltd.	100	100.0	Restaurant	2,021	32	26	19
20. Consumer Product End-Use Research Institute Co., Ltd.	450	100.0	Merchandise test Quality control	764	78	80	49
21. JFR Plaza Inc.	NTD 185M	90.0	General merchandise retail	442	(143)	(147)	(495)
22. Forest Co., Ltd.	90	72.9	Direct marketing	9,599	132	169	97
23. Angel Park Co., Ltd.	400	50.2	Parking	840	471	502	335
24. JFR Service Co. Ltd.	100	100.0	Commissioned back-office service Leasing Parking management	4,378	91	109	63
25. JFR Information Center Co., Ltd.	10	100.0	Information service	3,796	316	318	211
26. Daimaru Matsuzakaya Sales Associates Co. Ltd.	90	100.0	Commissioned sales & store operations	7,243	126	127	78
27. Daimaru Matsuzakaya Tomonokai Co., Ltd.	100	100.0	Specified prepaid transaction service	1,736	(372)	143	47
28. Daimaru COM Development Inc.	—	—	Real estate leasing Tenant service	1,058	190	208	130
29. JFR Consulting Co. Ltd.	—	—	Consulting	87	(5)	(5)	(6)
30. JFR Office Support Co., Ltd.	—	—	Commissioned back-office service	1,016	67	78	50

Notes: As of September 1, 2016, Daimaru COM Development Inc. was merged into Daimaru Matsuzakaya Department Stores Co. Ltd., and JFR Office Support Co., Ltd. and JFR Consulting Co. Ltd. were merged into JFR Service Co. Ltd.

3. Daimaru Matsuzakaya Department Stores Results of Operations

(Unit: Millions of yen, %)

Item	Nine months ended Nov 30, 2016	Nine months ended Nov 30, 2015	Change	
			¥M	%
1. Net sales	460,327	489,341	(29,014)	(5.9)
2. Gross margin	23.49 %	23.60 %		Change (0.11) %
3. Gross profit	108,110	115,462	(7,352)	(6.4)
4. SGA	96,313	100,066	(3,753)	(3.8)
5. Operating income	11,796	15,395	(3,599)	(23.4)
6. Operating margin	2.6 %	3.1 %		Change (0.5) %
7. Ordinary income	10,636	14,318	(3,682)	(25.7)
8. Ordinary income margin	2.3 %	2.9 %		Change (0.6) %
9. Profit	6,353	3,562	2,791	78.4
10. Profit margin	1.4 %	0.7 %		Change 0.7 %

4. Daimaru Matsuzakaya Department Stores Sales by Store

P Millions of yen, %)

Store	Term	Nine months ended Nov 30, 2016		Nine months ended Nov 30, 2015		Change	
		Amount	Component ratio	Amount	Component ratio	¥M	%
Daimaru	Osaka Shinsaibashi	52,123	11.3	68,182	13.9	(16,059)	(23.6)
	Osaka Umeda	45,382	9.8	46,712	9.5	(1,330)	(2.8)
	Tokyo	54,014	11.7	52,940	10.8	1,074	2.0
	Urawa Parco	2,331	0.5	2,787	0.6	(456)	(16.4)
	Kyoto	47,753	10.4	50,139	10.3	(2,386)	(4.8)
	Yamashina	2,711	0.6	2,839	0.6	(128)	(4.5)
	Kobe	58,840	12.8	60,982	12.5	(2,142)	(3.5)
	Suma	6,429	1.4	6,842	1.4	(413)	(6.0)
	Ashiya	4,855	1.1	5,100	1.0	(245)	(4.8)
	Sapporo	43,403	9.4	44,477	9.1	(1,074)	(2.4)
Matsuzakaya	Nagoya	86,299	18.8	90,520	18.5	(4,221)	(4.7)
	Ueno	29,003	6.3	29,571	6.0	(568)	(1.9)
	Shizuoka	15,216	3.3	15,721	3.2	(505)	(3.2)
	Takatsuki	6,229	1.4	6,593	1.4	(364)	(5.5)
	Toyota	5,731	1.2	5,930	1.2	(199)	(3.4)
	Total	460,327	100.0	489,341	100.0	(29,014)	(5.9)

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