

Financial/Non-financial Highlights

J. Front Retailing and Consolidated Subsidiaries

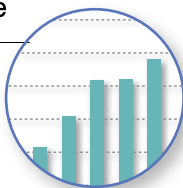
Millions of yen (except where otherwise indicated)

	FY2011	FY2012	FY2013	FY2014	FY2015
Net sales	941,415	1,092,756	1,146,319	1,149,529	1,163,564
Rent income	6,961	9,076	10,195	10,727	12,094
Gross profit	226,646	245,615	244,130	243,663	245,532
Selling, general and administrative expenses (SGA)	205,052	214,757	202,313	201,572	197,494
Operating income	21,594	30,857	41,816	42,091	48,038
Ordinary income	22,941	32,202	40,502	40,404	47,910
Net income	18,804	12,183	31,568	19,918	26,313
Total assets	767,543	1,009,165	998,730	1,018,700	1,019,146
Equity	332,917	341,318	370,173	376,091	383,699
Net assets	342,561	390,667	422,215	430,260	440,594
Interest-bearing debt	106,025	213,085	187,950	168,458	180,922
Cash flows from operating activities	24,365	26,025	37,532	44,650	36,799
Cash flows from investing activities	(26,781)	(73,977)	(8,858)	(16,272)	(39,741)
Cash flows from financing activities	(6,872)	58,275	(32,027)	(27,587)	(1,041)
Capital expenditures	19,246	19,038	52,758	24,277	37,110
Depreciation	13,347	16,482	17,698	17,963	18,345
Per share information [unit: ¥]					
Earnings per share (EPS) ¹	71.15	46.11	119.55	75.47	100.42
Book value per share (BPS) ¹	1,259.60	1,292.36	1,402.52	1,425.05	1,467.05
Dividends per share ¹	16.00	18.00	22.00	25.00	27.00
Financial indicators [unit: %]					
Gross margin	24.08	22.48	21.30	21.20	21.10
SGA ratio	21.8	19.7	17.6	17.5	17.0
Operating margin	2.6	2.8	3.6	3.7	4.1
Return on equity (ROE)	5.8	3.6	8.9	5.3	6.9
Return on assets (ROA)	2.8	3.5	4.2	4.2	4.7
Equity ratio	43.4	33.8	37.1	36.9	37.6
Dividend payout ratio	22.5	39.0	18.4	33.1	26.9
Non-financial indicators					
Number of employees (consolidated) [unit: persons]	13,413	14,838	11,561	11,149	11,023
Ratio of female employees (Daimaru Matsuzakaya*) [unit: %]	45.9	44.8	48.5	48.9	49.9
Ratio of female leaders [unit: %] ²	19.0	15.7	24.6	27.7	28.2
Department store sales floor area (directly managed stores) [unit: m ²]	573,323	569,137	543,785	529,460	498,460
Parco sales floor area [unit: m ²]	443,000	442,600	442,600	451,000	456,089
Customer traffic (Daimaru Matsuzakaya) [unit: persons]	236,876	246,764	237,647	220,411	207,512
Average spend per customer (Daimaru Matsuzakaya) [unit: ¥]	3,797	3,838	4,107	4,215	4,414
Number of cards issued by Daimaru Matsuzakaya [unit: cards]	4,365	4,580	4,659	4,595	4,217
Number of cards issued by Parco [unit: cards]	1,612	1,614	1,643	1,754	1,885
Energy consumption (Daimaru Matsuzakaya) [unit: kl (crude oil equivalent)] ³	96,860	93,498	87,083	81,639	79,812
Packaging material consumption (Daimaru Matsuzakaya) [unit: t] ⁴	2,628	2,670	2,979	2,657	2,532
Waste disposal (Daimaru Matsuzakaya) [unit: t] ⁵	10,919	10,711	10,361	9,173	8,610
Food waste disposal (Daimaru Matsuzakaya) [unit: t] ⁶	2,327	2,109	1,955	1,717	1,617

¹The Company's common shares were consolidated in the ratio of one share for every two shares as of September 1, 2014. Per share information has been calculated as if this consolidation of shares was conducted at the beginning of FY2011. ²Up to FY2012: total numbers of general managers, managers, buyers, team leaders and assistant buyers of Daimaru Matsuzakaya / FY2013 and after: total numbers of general managers, managers, submanagers, buyers and team leaders of Daimaru Matsuzakaya (incl. those temporarily transferred to JFR* and DMSA*) and supervisors and section leaders of DMSA ³⁻⁶Total of Daimaru Matsuzakaya, Hakata Daimaru, Shimonoseki Daimaru, Kochi Daimaru and Tottori Daimaru ³Energy consumption is the crude oil equivalent of the total consumption of electricity, gas, gasoline, light/heavy oil, etc. (unit: kiloliter). ⁴Packaging material consumption is the weights of wrapping paper, shopping bags, paper bags, plastic bags for food products, etc. (unit: ton). ⁵Waste disposal is the weights after subtracting the weights of waste recycled from the total weights of waste generated incl. general waste, raw garbage, industrial waste, etc. (unit: ton). ⁶Food waste disposal is included in waste disposal. *Daimaru Matsuzakaya: Daimaru Matsuzakaya Department Stores / JFR: J. Front Retailing / DMSA: Daimaru Matsuzakaya Sales Associates

Consolidated operating income

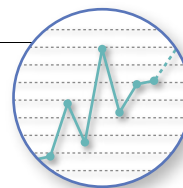
¥48 billion



In the fiscal year ended February 29, 2016, consolidated operating income was ¥48 billion above forecast, marking the 6th consecutive year of growth and a record high due to strong sales of the main businesses such as department stores and Parco as well as thorough cost management.

ROE

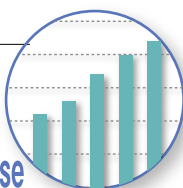
6.9%



In the fiscal year ended February 29, 2016, return on equity (ROE) as the most important management indicator was 6.9% due to the efforts to enhance profit level and capital efficiency. We aim to achieve an 8% ROE as early as possible in the medium term.

Annual dividend

5th consecutive year of increase



Our basic policy is to maintain stable dividend payments and appropriately return profits targeting a dividend payout ratio of at least 30% in view of profit level, future capital investment, FCF trends, etc. while maintaining and enhancing the sound financial condition. In the fiscal year ended February 29, 2016, we bought back our own shares for ¥5 billion.

Customer traffic

300 million people



More than 200 million people visited 15 stores directly managed by Daimaru Matsuzakaya Department Stores during the year. Combined with Parco, more than 300 million people came into our stores. It is a quantitative indicator which clearly shows that our stores are loved by and familiar to local people.

Number of cardholders

6 million people



As of the end of February 2016, Daimaru Matsuzakaya Department Stores and Parco have 4.2 million and 1.88 million cardholders, respectively, totaling more than 6 million. The analysis of their data enables our promotions and merchandising to suit customer tastes.

Ratio of female employees

49.9%



The ratios of female employees and female leaders of Daimaru Matsuzakaya Department Stores are 49.9% and 28.2%, respectively, as of the end of February 2016. Women can play an active role in a wide range of work areas. Regardless of gender and nationality, we promote management with diversity as a source of competitive advantage.

Outside Directors' attendance rate at the Board

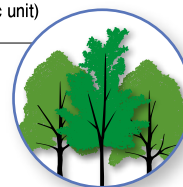
100%



Two of the Company's nine Directors are Outside Directors and their attendance rates at the Board of Directors meetings were both 100% in the fiscal year ended February 29, 2016. They generate active discussions with an outside perspective in strengthening the operation of the Board of Directors as a pillar of governance reform.

Reduction of energy consumption (basic unit)

-14.9%



The energy consumption of Daimaru Matsuzakaya Department Stores (incl. associated department stores) decreased by 14.9% in energy basic unit* in FY2015 compared to FY2010. By installing high energy efficient equipment and fixtures such as LED lighting, we contribute to preventing global warming through the reduction of CO₂ emissions as well as reducing costs.

*Energy basic unit is calculated by dividing the crude oil equivalent of the total consumption of electricity, gas, gasoline, light/heavy oil, etc. by the total floor area of store and business hours.