

# Consolidated Balance Sheet

## J. FRONT RETAILING Co., Ltd. and Consolidated Subsidiaries

February 28, 2017

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2017	2016	2017
<b>Assets</b>			
Current assets:			
Cash and deposits (Notes 15 and 24)	¥33,018	¥30,039	\$292,842
Notes and accounts receivable – trade (Notes 15 and 16)	68,997	68,049	611,946
Securities (Notes 10 and 15)	1,500	1,233	13,303
Inventories (Notes 5 and 8)	34,499	28,205	305,977
Deferred tax assets (Note 25)	10,523	11,671	93,330
Other (Note 15)	44,540	41,865	395,033
Less allowance for doubtful accounts	(249)	(173)	(2,208)
Total current assets	192,829	180,890	1,710,235
Non-current assets:			
Property and equipment (Notes 6, 7, 8, 9, 13 and 19):			
Land	420,894	360,297	3,732,984
Buildings and structures, net	196,598	182,772	1,743,662
Construction in progress	58,296	120,751	517,037
Other, net	8,273	4,829	73,374
Total property and equipment	684,063	668,651	6,067,077
Intangible assets:			
Goodwill (Notes 19 and 27)	208	568	1,844
Other	41,438	40,876	367,521
Total intangible assets	41,647	41,444	369,374
Investments and other assets:			
Investment securities (Notes 8, 10 and 15)	18,904	20,055	167,662
Investments in unconsolidated subsidiaries and affiliates (Note 15)	26,533	26,930	235,325
Long-term loans receivable	1,534	1,503	13,605
Deposits and guarantees (Note 15)	60,561	61,515	537,126
Asset for retirement benefits (Note 12)	10,738	5,687	95,237
Deferred tax assets (Note 25)	3,695	5,112	32,771
Other (Note 15)	12,415	10,065	110,110
Less allowance for doubtful accounts	(2,810)	(2,710)	(24,922)
Total investments and other assets	131,569	128,160	1,166,909
Total non-current assets	857,280	838,255	7,603,370
Total assets (Note 27)	¥1,050,109	¥1,019,146	\$9,313,605

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2017	2016	2017
<b>Liabilities and net assets</b>			
Current liabilities:			
Notes and accounts payable - trade (Notes 8, 15 and 16)	¥87,964	¥90,768	\$780,168
Short-term loans payable (Notes 8, 11 and 15)	8,320	8,439	73,791
Commercial papers (Notes 11 and 15)	33,799	30,798	299,769
Current portion of long-term debt (Notes 8, 11, 15 and 16)	41,789	32,588	370,634
Income taxes payable (Notes 15 and 25)	7,125	8,322	63,192
Advances received	24,136	19,318	214,066
Gift certificates outstanding	38,596	38,599	342,314
Provision for bonuses to employees	5,493	5,709	48,718
Provision for bonuses to directors and audit and supervisory board members	206	204	1,827
Provision for sales returns	21	21	186
Provision for loss on books unsalable	133	121	1,179
Provision for sales promotion expenses	445	709	3,946
Provision for loss on utilization of gift certificates	14,493	13,913	128,541
Provision for loss on business liquidation	1,855	487	16,452
Provision for loss on store reconstruction	-	1,245	-
Other	48,186	51,696	427,370
Total current liabilities	312,568	302,944	2,772,221
Non-current liabilities:			
Long-term debt (Notes 8, 11, 15 and 16)	108,650	111,409	963,636
Deferred tax liabilities (Note 25)	85,296	89,158	756,505
Deferred tax liabilities for land revaluation (Note 25)	1,100	1,161	9,756
Liability for retirement benefits (Note 12)	31,605	32,707	280,310
Accrued retirement benefits for directors and audit and supervisory board members	5	37	44
Provision for loss on business liquidation	-	564	-
Provision for loss on store reconstruction	1,712	1,191	15,184
Other (Note 15)	43,332	39,378	384,319
Total non-current liabilities	271,701	275,607	2,409,764
Total liabilities	584,269	578,552	5,181,986
Contingent liabilities (Note 17)			
Net assets:			
Shareholders' equity (Note 14):			
Common stock:			
Authorized - 1,000,000,000 shares			
Issued - 268,119,164 shares	30,000	30,000	266,075
Capital surplus	209,551	209,551	1,858,545
Retained earnings	183,598	163,971	1,628,363
Treasury stock, at cost: 6,573,594 shares in 2017 and 6,575,238 shares in 2016	(11,281)	(11,286)	(100,053)
Total shareholders' equity	411,868	392,236	3,652,931
Accumulated other comprehensive loss:			
Net unrealized holding gain on securities (Note 10)	2,053	2,113	18,208
Net unrealized deferred gain on hedging instruments (Note 16)	288	223	2,554
Foreign currency translation adjustments	349	516	3,095
Retirement benefits adjustments (Note 12)	(8,223)	(11,391)	(72,931)
Total accumulated other comprehensive loss	(5,532)	(8,537)	(49,064)
Stock subscription rights (Note 14)	-	14	-
Non-controlling interests	59,503	56,880	527,742
Total net assets (Note 26)	465,839	440,594	4,131,609
Total liabilities and net assets	¥1,050,109	¥1,019,146	\$9,313,605

See accompanying notes to the consolidated financial statements.