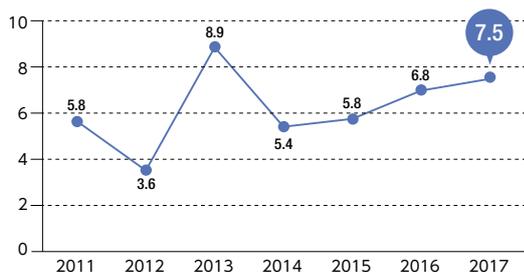


Financial/Non-financial Highlights

Consolidated ROE

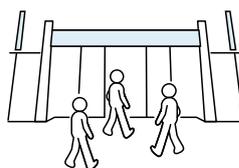
7.5%



In the fiscal year ended February 28, 2018, return on equity (ROE) as the most important management indicator was 7.5% due to the efforts to enhance profit level and capital efficiency. We aim to achieve an 8% or more ROE in FY2021, the final year of the new Medium-term Business Plan.

Customer traffic

340 million people



About 340 million customers visited 15 stores directly managed by Daimaru Matsuzakaya Department Stores and 18 Parco stores during the year. This shows that our stores are loved by and familiar to local people and contribute to revitalizing local communities. (As of February 28, 2018)

Identifiable customers of Daimaru/Matsuzakaya/Parco

6 million people

As of February 28, 2018, Daimaru Matsuzakaya Department Stores and Parco have 4.2 million and 1.88 million cardholders, respectively, totaling more than six million. We also have a *gaisho* organization of affluent customers and such good customer assets are the strength of the Group.

Annual dividend

7th 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.

Share of sales to inbound tourists

7.3%

In fiscal year 2017, Daimaru Matsuzakaya Department Stores posted tax-free sales to foreign tourists to Japan of ¥47.9 billion and their sales share increased to 7.3%. The product selection and hospitality of our department stores attract foreign tourists and sales continue to grow.



New employees in FY2017

Ratio of female employees

50.5%



At Daimaru Matsuzakaya Department Stores, female employees account for 50.5%, half of total employees, as of February 28, 2018. We have in place various systems that consider work-life balance including "shortened working hours for child care" and "child care leave," which were designed beyond statutory limits, to support female employees.

Ratio of female leaders

32.5%



The ratio of female leaders to total leadership positions of Daimaru Matsuzakaya Department Stores was 32.5% as of March 1, 2018. 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.

Ratio of Outside Directors

5 / 13

The organizational structure transitioned from a Company with Audit & Supervisory Board to a Company with Three Committees (Nomination, Audit and Remuneration Committees) by a resolution of the Annual Shareholders Meeting held in May 2017. Five out of 13 Directors are Outside Directors. With a stronger outside perspective, we strengthen governance.

Outside Directors' attendance rate at the Board meetings

100%

A total of 14 meetings of the Board of Directors were held in the fiscal year ended February 28, 2018. The attendance rate of Outside Directors at these Board meetings was 100%. Oversight function was further strengthened by transitioning to a Company with Three Committees (Nomination, Audit and Remuneration Committees) and they have highly transparent and vigorous discussions using an outside perspective.

CO2 emissions

147,000 tons

In fiscal year 2017, Daimaru Matsuzakaya Department Stores emitted 147,000 tons of CO2, down 6.4% in intensity compared to fiscal year 2016. We promote conversion to LED lighting at stores and make various energy saving efforts in back-office sections to contribute to preventing global warming and improve productivity at the same time.

Number of items collected for recycling

1.022 million pieces

Daimaru Matsuzakaya Department Stores launched "Ecoff" recycling campaign in August 2016. The number of disused clothing, shoes and bags brought by customers finally exceeded one million pieces in total till April 2018. The collected items are recycled as energy, fabric and others.



Financial/Non-financial Highlights

← JGAAP

Millions of yen (except where otherwise indicated)

	FY2008	FY2009	FY2010	FY2011
Net sales / Gross sales	1,096,690	982,533	950,102	941,415
— / Sales revenue	—	—	—	—
Rent income	4,242	4,652	5,962	6,961
Gross profit	269,282	240,211	229,588	226,646
SGA	241,189	221,627	209,265	205,052
Business profit	—	—	—	—
Operating profit	28,092	18,584	20,323	21,594
Ordinary profit / Profit before tax	28,289	19,966	21,092	22,941
Profit / Profit attributable to owners of parent	7,170	8,167	8,862	18,804
Total assets	776,616	804,534	775,029	767,543
Equity	307,861	314,494	318,033	332,917
Net assets	316,268	323,506	327,242	342,561
Interest-bearing debt	94,677	125,937	108,658	106,025
Cash flows from operating activities	22,686	22,996	21,270	24,365
Cash flows from investing activities	(11,676)	(40,879)	(8,432)	(26,781)
Cash flows from financing activities	(13,510)	29,212	(23,128)	(6,872)
Capital expenditures	18,095	59,566	20,020	19,246
Depreciation (including cost)	13,257	13,295	13,610	13,347
Per share information [Yen]				
Earnings per share (EPS) / Basic earnings per share*1	27.13	30.90	33.53	71.15
Book value per share (BPS) *1	1,164.53	1,189.79	1,203.24	1,259.60
Dividends per share*1	16.00	14.00	14.00	16.00
Financial indicators [%]				
Ratio of gross profit to net sales / Ratio of gross profit to sales revenue	24.55	24.45	24.16	24.08
Ratio of SGA to net sales / Ratio of SGA to sales revenue	22.0	22.6	22.0	21.8
Ratio of operating profit to net sales / Ratio of operating profit to sales revenue	2.6	1.9	2.1	2.3
Return on equity (ROE) / Return on equity attributable to owners of parent (ROE)	2.3	2.6	2.8	5.8
Return on assets (ROA) / Return on assets (ROA)	3.6	2.4	2.6	2.8
Return on investment (ROI) / Return on investment (ROI)	7.0	4.7	4.9	5.3
Equity ratio / Equity ratio attributable to owners of parent	39.6	39.1	41.0	43.4
Dividend payout ratio	59.0	45.3	41.8	22.5
Non-financial indicators				
Number of employees (consolidated) [People]	16,873	15,431	14,307	13,413
Ratio of female employees (Daimaru Matsuzakaya*10) [%]	42.6	43.5	44.7	45.9
Ratio of female leaders [%]*2	30.8	26.2	26.3	19.0
Employee turnover rate (Daimaru Matsuzakaya) [%]*3	2.1	3.5	3.7	2.3
Post-retirement re-employment rate (Daimaru Matsuzakaya) [%]*4	64.3	55.6	57.2	68.1
Department store sales floor area (directly managed stores) [m ²]	541,546	570,117	549,739	573,323
Parco sales floor area [m ²]	447,500	444,500	454,000	443,000
Customer traffic (Daimaru Matsuzakaya) [1,000 people]	—	—	224,242	236,876
Average spend per customer (Daimaru Matsuzakaya) [Yen]	—	—	3,842	3,797
Number of cards issued by Daimaru Matsuzakaya [1,000 cards]	4,307	3,872	4,056	4,365
Number of holders of cards issued by Parco [1,000 people]	1,564	1,574	1,618	1,612
GHG (CO ₂) emissions (CO ₂ -t)*5	—	—	166,801	151,341
Energy consumption [kl (crude oil equivalent)]*6	—	—	98,013	98,128
Packaging material consumption [t]*7	—	—	2,574	2,627
Waste disposal [t]*8	—	—	10,803	11,004
Food waste disposal [t]*9	—	—	2,517	2,327

*1 The Company's common shares were consolidated at 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 FY2007.

*2 Until 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 and Daimaru Matsuzakaya Sales Associates ("DMSA") and Supervisors and Section Leaders of DMSA

*3 Number of retired employees during the year / Number of employees at the beginning of the year × 100 (%)
The number of retired employees above excludes employees who retired because of retirement age, transfer and becoming officers.

*4 Daimaru Matsuzakaya has introduced a transfer system for employees aged 55 and above in September 2013.

IFRS

FY2012	FY2013	FY2014	FY2015	FY2016	FY2016	FY2017
1,092,756	1,146,319	1,149,529	1,163,564	1,108,512	1,134,342	1,138,981
—	—	—	—	—	452,505	469,915
9,076	10,195	10,727	12,094	13,547	13,545	17,156
245,615	244,130	243,739	245,532	234,785	212,567	212,935
214,757	202,313	201,572	197,494	190,205	167,668	166,688
—	—	—	—	—	44,898	46,842
30,857	41,816	42,167	48,038	44,580	41,727	49,546
32,202	40,502	40,480	47,910	44,425	42,608	48,271
12,183	31,568	19,967	26,313	26,950	27,052	28,486
1,009,165	998,730	1,018,495	1,019,146	1,050,109	1,005,069	1,022,348
341,318	370,173	375,886	383,699	406,336	368,571	395,519
390,667	422,215	430,260	440,594	465,839		
213,085	187,950	168,458	180,922	187,799	205,952	184,202
26,025	37,532	44,650	36,799	36,239	33,764	57,079
(73,977)	(8,858)	(16,272)	(39,741)	(30,353)	(27,952)	(19,030)
58,275	(32,027)	(27,587)	(1,041)	(2,189)	(2,097)	(31,048)
19,038	52,758	24,277	37,110	44,999	44,999	27,021
16,482	17,698	17,963	18,345	17,189	17,284	18,683
46.11	119.55	75.66	100.42	103.04	103.43	108.92
1,292.36	1,402.53	1,424.28	1,467.05	1,553.60	1,409.20	1,511.91
18.00	22.00	25.00	27.00	28.00	28.00	35.00
22.48	21.30	21.20	21.10	21.18	46.98	45.31
19.7	17.6	17.5	17.0	17.2	37.1	35.5
2.8	3.6	3.7	4.1	4.0	9.2	10.5
3.6	8.9	5.4	6.9	6.8	7.6	7.5
3.5	4.2	4.2	4.7	4.3	4.2	4.9
6.5	7.3	7.3	8.6	7.7	7.6	8.4
33.8	37.1	36.9	37.6	38.7	36.7	38.7
39.0	18.4	33.1	26.9	27.2	27.1	32.1
14,838	11,561	11,149	11,023	10,732	-	10,429
44.8	48.5	48.9	49.9	50.2	-	50.5
15.7	24.6	27.7	28.1	32.0	-	32.5
1.2	5.9	0.7	1.5	1.4	-	1.7
67.8	69.8	78.0	88.5	95.6	-	85.0
569,137	543,785	529,460	498,460	498,460	-	495,331
442,600	442,600	451,000	456,000	409,000	-	389,000
246,764	237,647	220,411	207,512	197,250	-	200,966
3,838	4,107	4,215	4,414	4,420	-	4,676
4,580	4,659	4,595	4,217	4,062	-	4,029
1,614	1,643	1,754	1,885	1,990	-	2,031
156,843	168,825	167,613	167,189	157,575	-	147,191
93,338	88,027	81,666	80,009	75,934	-	74,410
2,669	2,978	2,682	2,553	2,412	-	2,369
10,797	10,456	9,205	8,198	8,256	-	8,136
2,109	1,955	1,718	1,527	1,826	-	2,104

*5-9 Total of Daimaru Matsuzakaya, Hakata Daimaru, Shimonoseki Daimaru, Kochi Daimaru and Tottori Daimaru

*6 Energy consumption is the crude oil equivalent of the total consumption of electricity, gas, gasoline, light/heavy oil, etc. (kiloliter).

*7 Packaging material consumption is the weights of wrapping paper, shopping bags, plastic bags for food products, etc. (ton).

*8 Waste disposal is the weights after subtracting the weights of waste recycled from the total weights of waste generated including general waste, raw garbage and industrial waste (ton).

*9 Food waste disposal is included in waste disposal.

*10 Daimaru Matsuzakaya: Daimaru Matsuzakaya Department Stores