J. FRONT RETAILING Supplementary Information to Financial Results

I. J. Front Retailing Consolidated Statements【IFRS】

1－1. Consolidated business performance (results)

(Millions of yen, %)

Item	Six months ended August 31, 2018	Six months ended August 31, 2017			Forecast released in April 2018 (Six months ended August 31, 2018)	
	Amount	Amount	YoY		Amount	Vs. forecast
1. Gross sales	547,109	558,304	(11,195)	(2.0)	557,000	(1.8)
2. Sales revenue	227,206	234,510	(7,304)	(3.1)	234,000	(2.9)
3. Consolidated gross profit	104,950	104,988	(38)	(0.0)	106,300	(1.3)
4. Consolidated gross margin	46.19 %	44.77 %	Difference 1.42 %		45.43 %	Difference 0.76 %
5. Consolidated SGA	80,678	82,210	(1,532)	(1.9)	82,000	(1.6)
6. Business profit	24,271	22,778	1,493	6.6	24,300	(0.1)
7. Consolidated operating profit	24,218	26,680	(2,462)	(9.2)	24,000	0.9
8. Consolidated profit before income taxes	25,064	25,918	(854)	(3.3)	24,700	1.5
9. Consolidated profit attributable to owners of parent	15,910	16,315	(405)	(2.5)	15,300	4.0
10. Consolidated total assets	1,024,953	1,022,348	2,605		1,033,000	(8,047)
11. Equity attributable to owners of parent	407,417	395,519	11,898		406,000	1,417
12. Ratio of equity attributable to owners of parent to total assets	39.7 %	38.7 %	Difference 1.0 %		39.3 %	Difference 0.4 %
13. Consolidated interest-bearing debt	175,790	184,202	(8,412)		177,000	(1,210)
14. Consolidated financial balance	59	43	16		(50)	109
15. Cash flows from operating activities	22,453	41,654	(19,201)		22,000	453
16. Cash flows from investing activities	(12,871)	(7,773)	(5,098)		(20,000)	7,129
17. Free cash flows	9,581	33,880	(24,299)		2,000	7,581
18. Cash flows from financing activities	(14,598)	(9,357)	(5,241)		(13,000)	(1,598)
19. Return on equity attributable to owners of parent (ROE)	4.0 %	4.3 %	Difference (0.3) %			
20. Return on assets (ROA)	2.4 %	2.6 %	Difference (0.2) %			
21. Return on investment (ROI)	4.3 %	4.5 %	Difference (0.2) %			
22. Interest-bearing debt to equity attributable to owners of parent ratio (D/E ratio)	0.43 times	0.53 times	Difference (0.10) times			
23. Interest-bearing debt to cash flow ratio	7.83 times	4.82 times	Difference 3.01 times			

Notes: 1. Of sales revenue under IFRS, sales from purchase recorded at the time of sale (*shoka shiire*) of the "Department Store Business" and "Other (Daimaru Kogyo)" have been converted into gross amount and the net amount of sales of the"Parco Business" into tenant transaction volume (gross amount basis) to calculate gross sales.

2. Business profit is calculated by subtracting sales cost and SGA from sales revenue.

3. Consolidated profit attributable to owners of parent, consolidated operating profit and consolidated profit before income taxes are used to calculate ROE, ROA and ROI, respectively.

4. YoY changes for six months ended August 31, 2018 and full year ending February 28, 2019 in Items 10 , 11 , 12 and 13 are comparisons with the previous year-end.

1－2. Consolidated business performance (full year forecast)

(Millions of yen, %)

Item	Full year ending February 28, 2019	Full year ended February 28, 2018			Forecast released in April 2018 (Full year ending February 28, 2019)	
	Amount	Amount	YoY		Amount	Vs. forecast
1. Gross sales	1,150,000	1,138,981	11,019	1.0	1,165,000	(1.3)
2. Sales revenue	475,000	469,915	5,085	1.1	485,000	(2.1)
3. Consolidated gross profit	216,600	212,935	3,665	1.7	217,900	(0.6)
4. Consolidated gross margin	45.60 %	45.31 %	Difference 0.29 %		44.93 %	Difference 0.67 %
5. Consolidated SGA	167,100	166,688	412	0.2	168,400	(0.8)
6. Business profit	49,500	46,247	3,253	7.0	49,500	—
7. Consolidated operating profit	48,500	49,546	(1,046)	(2.1)	48,500	—
8. Consolidated profit before income taxes	49,600	48,271	1,329	2.8	49,600	—
9. Consolidated profit attributable to owners of parent	30,500	28,486	2,014	7.1	30,500	—
10. Consolidated total assets	1,050,000	1,022,348	27,652		1,059,000	(9,000)
11. Equity attributable to owners of parent	417,000	395,519	21,481		417,000	—
12. Ratio of equity attributable to owners of parent to total assets	39.7 %	38.7 %	Difference 1.0 %		39.4 %	Difference 0.3 %
13. Consolidated interest-bearing debt	191,000	184,202	6,798		193,000	(2,000)
14. Consolidated financial balance	(200)	(104)	(96)		(200)	—
15. Cash flows from operating activities	35,000	57,079	(22,079)		38,000	(3,000)
16. Cash flows from investing activities	(36,500)	(19,030)	(17,470)		(45,000)	8,500
17. Free cash flows	(1,500)	38,048	(39,548)		(7,000)	5,500
18. Cash flows from financing activities	(5,000)	(31,048)	26,048		(2,500)	(2,500)
19. Return on equity attributable to owners of parent (ROE)	7.5 %	7.5 %	Difference 0.0 %		7.5 %	Difference 0.0 %
20. Return on assets (ROA)	4.7 %	4.9 %	Difference (0.2) %		4.7 %	Difference 0.0 %
21. Return on investment (ROI)	8.4 %	8.4 %	Difference 0.0 %		8.3 %	Difference 0.1 %
22. Interest-bearing debt to equity attributable to owners of parent ratio (D/E ratio)	0.46 times	0.47 times	Difference (0.01) times		0.46 times	Difference 0.00 times
23. Interest-bearing debt to cash flow ratio	5.46 times	3.23 times	Difference 2.23 times		5.08 times	Difference 0.38 times

Notes: 1. Of sales revenue under IFRS, sales from purchase recorded at the time of sale (*shoka shiire*) of the "Department Store Business" and "Other (Daimaru Kogyo)" have been converted into gross amount and the net amount of sales of the "Parco Business" into tenant transaction volume (gross amount basis) to calculate gross sales.

2. Business profit is calculated by subtracting sales cost and SGA from sales revenue.

3. Consolidated profit attributable to owners of parent, consolidated operating profit and consolidated profit before income taxes are used to calculate ROE, ROA and ROI, respectively.

2. Segment information (results and full year forecast)

Six months ended August 31, 2018 (Millions of yen, %)

	Department Store Business	Parco Business	Real Estate Business	Credit and Finance Business	Total	Other	Adjustments	Consolidated
Gross sales	358,213	137,176	8,463	5,757	509,611	61,186	(23,688)	547,109
YoY % change	1.1	(2.9)	40.1	4.0	0.5	(18.0)	—	(2.0)
Sales revenue								
(1) Sales revenue to external customers	134,459	44,037	7,821	3,100	189,418	37,787	—	227,206
(2) Intersegment sales revenue	172	146	566	2,023	2,908	15,396	(18,305)	—
Total sales revenue	134,632	44,184	8,387	5,123	192,327	53,184	(18,305)	227,206
YoY % change	1.8	(2.3)	43.4	3.3	2.1	(18.8)	—	(3.1)
Segment expenses	122,766	38,477	5,529	4,047	170,821	51,052	(18,885)	202,988
Business profit	12,489	5,043	3,044	1,064	21,640	2,107	523	24,271
YoY % change	6.9	(12.0)	66.6	(19.2)	5.3	(7.1)	—	6.6
Segment profit	11,865	5,707	2,857	1,076	21,506	2,131	580	24,218
YoY % change	(8.0)	(14.5)	71.8	(17.6)	(4.6)	(21.1)	—	(9.2)

Full year ending February 28, 2019 (Millions of yen, %)

	Department Store Business	Parco Business	Real Estate Business	Credit and Finance Business	Total	Other	Adjustments	Consolidated
Gross sales	754,600	286,765	17,100	11,950	1,070,415	129,400	(49,815)	1,150,000
YoY % change	1.9	0.9	24.6	5.0	2.0	(5.4)	—	1.0
Sales revenue								
(1) Sales revenue to external customers	280,250	93,500	15,850	6,420	396,020	78,980	—	475,000
(2) Intersegment sales revenue	350	200	1,150	4,200	5,900	32,020	(37,920)	—
Total sales revenue	280,600	93,700	17,000	10,620	401,920	111,000	(37,920)	475,000
YoY % change	2.3	2.3	26.6	4.4	3.2	(5.8)	—	1.1
Segment expenses	255,150	82,900	12,840	8,270	359,160	105,760	(38,420)	426,500
Business profit	26,850	10,000	4,600	2,330	43,780	5,230	490	49,500
YoY % change	2.1	(2.8)	63.1	(16.9)	3.7	16.5	—	7.0
Segment profit	25,450	10,800	4,160	2,350	42,760	5,240	500	48,500
YoY % change	(4.5)	(8.1)	0.7	(14.3)	(5.6)	10.4	—	(2.1)

3. Performance by consolidated company (results and full year forecast)

(Millions of yen, %)

Company name	Capital	Ownership percentage	Business	Six months ended August 31, 2018				Full year ending February 28, 2019			
				Sales revenue	Business profit	Operating profit	Profit	Sales revenue	Business profit	Operating profit	Profit
1. J. Front Retailing Co., Ltd.	31,974			9,952	7,731	7,659	7,711	18,760	13,630	13,570	13,580
2. Daimaru Matsuzakaya Department Stores Co. Ltd.	10,000	100.0	Department store	128,769	14,657	13,697	9,808	267,800	29,000	27,100	18,800
3. The Hakata Daimaru, Inc.	3,037	69.9	Department store	9,506	819	798	486	200,000	2,200	2,150	1,360
4. The Shimonoseki Daimaru, Inc.	480	100.0	Department store	2,296	40	53	11	4,700	100	100	20
5. Kochi Daimaru Co., Ltd.	300	100.0	Department store	2,362	17	16	13	5,000	150	100	70
6. Parco Co., Ltd.	34,367	65.2	Shopping complex	27,597	4,777	5,519	3,900	58,129	9,067	9,927	6,770
7. Parco (Singapore) Pte Ltd	SGD 4M	65.2	Shopping complex	85	4	4	4	143	(39)	(39)	(38)
8. Neuve A Co., Ltd.	490	65.2	Specialty store	9,927	97	(3)	(6)	20,958	459	338	218
9. Parco Space Systems Co., Ltd.	490	65.2	Space engineering & management	9,990	155	165	119	21,650	580	594	391
10. Parco Digital Marketing Co., Ltd.	10	65.2	Internet-related business	504	42	42	29	1,056	95	95	65
11. Japan Retail Advisors Co., Ltd.	10	65.2	Real estate management Consulting	—	(0)	(0)	(0)	—	(38)	(38)	(38)
12. JFR Card Co., Ltd.	100	100.0	Credit and finance	5,123	1,064	1,076	687	10,620	2,330	2,350	1,411
13. Daimaru Kogyo, Ltd.	1,800	100.0	Wholesale	18,049	751	764	549	36,650	2,280	2,300	1,622
14. Daimaru Kogyo International Trading (Shanghai) Co., Ltd.	USD 2M	100.0	Wholesale	2,504	37	52	40	5,540	132	144	110
15. Daimaru Kogyo (Thailand) Co., Ltd.	THB 202M	99.9	Wholesale	245	0	(0)	2	540	3	3	7
16. Taiwan Daimaru Kogyo, Ltd.	NTD 60M	100.0	Wholesale	244	3	7	7	610	17	21	21
17. J. Front Design & Construction Co., Ltd.	100	100.0	Design & construction Manufacture & sale of furniture	12,924	274	276	194	29,620	1,055	1,055	684
18. Dimples' Co., Ltd.	90	100.0	Staffing service	6,867	394	393	271	14,130	700	698	472
19. J. Front Foods Co., Ltd.	100	100.0	Restaurant	1,328	59	60	51	2,620	80	75	72
20. Consumer Product End-Use Research Institute Co., Ltd.	450	100.0	Merchandise test Quality control	526	68	68	46	1,070	144	143	90
21. Angel Park Co., Ltd.	400	50.2	Parking	551	311	311	224	1,110	603	603	433
22. JFR Service Co. Ltd.	100	100.0	Commissioned back-office service Leasing Parking management	4,215	66	67	63	7,970	82	83	87
23. JFR Information Center Co., Ltd.	10	100.0	Information service	2,769	256	256	176	6,150	406	407	263
24. Daimaru Matsuzakaya Sales Associates Co. Ltd.	90	100.0	Commissioned sales & store operations	4,938	62	64	43	9,850	95	96	68
25. Daimaru Matsuzakaya Tomonokai Co., Ltd.	100	100.0	Specified prepaid transaction service	91	(216)	(228)	80	189	(438)	(463)	132

4. Consolidated capital expenditures (results and full year plan)

(Millions of yen)

Component	Six months ended Aug 31, 2018	Full year ending Feb 28, 2019	Remarks
1. Daimaru Matsuzakaya Department Stores	16,201	20,500	
[Department Store Business]	[12,995]	[16,600]	Rebuilding of main building of Shinsaibashi store, sales floor renovation and others
[Real Estate Business]	[3,205]	[3,900]	Store development around department store and others.
2. Hakata Daimaru	348	490	Sales floor renovation and others
3. Shimonoseki Daimaru	87	230	〃
4. Kochi Daimaru	76	180	〃
5. Parco	3,131	20,120	Shibuya Parco redevelopment and others
6. Other	594	3,450	
7. Intercompany eliminations	(35)	(70)	
Total	20,404	44,900	

5. Components of SGA (results and full year forecast)

(Millions of yen, %)

Component	Six months ended August 31, 2018			Full year ending February 28, 2019		
	Amount	YoY	Ratio to sales	Amount	YoY	Ratio to sales
Personnel expenses	30,947	(1.6)	13.6	62,200	(1.3)	13.1
Advertising expenses	5,143	(6.0)	2.3	10,400	(1.3)	2.2
Packaging and delivery expenses	1,568	(42.2)	0.7	4,200	(15.9)	0.9
Rent expenses	11,658	(5.4)	5.1	23,200	(4.8)	4.9
Depriciation	5,629	2.7	2.5	12,000	9.6	2.5
Operational costs	4,039	(0.7)	1.8	9,600	17.8	2.0
Other	21,692	4.9	9.5	45,500	1.8	9.6
Total	80,678	(1.9)	35.5	167,100	0.2	35.2

Note: Depreciation is included in cost of sales as well as SGA.

Six months ended August 31, 2018: 4,154 million yen / Full year ending February 28, 2019: 8,400 million yen

6. Components of other operating income and expense (results and full year forecast)

(Millions of yen)

Component	Six months ended Aug 31, 2018	Full year ending Feb 28, 2019	Remarks
Other operating income	1,654	2,700	
1. Gain on sales of non-current assets	23	23	Mainly Daimaru Matsuzakaya Department Stores
2. Compensation income	975	1,951	Shibuya Parco redevelopment
3. Other	654	724	
Other operating expense	1,707	3,700	
1. Loss on disposal of non-current assets	882	2,500	Mainly sales floor renovation of Daimaru Matsuzakaya Department Stores
2. Impairment loss	408	408	Mainly Daimaru Matsuzakaya Department Stores and Parco
3. Other	416	791	

7. Components of finance income and costs and share of loss (profit) of entities accounted for using equity method (results and full year forecast)

(Millions of yen,%)

Component	Six months ended August 31, 2018		Full year ending February 28, 2019	
	Amount	YoY	Amount	YoY
Financie income	652	3.7	1,000	(8.3)
1. Interest and dividend income	652	3.8	1,000	(8.2)
2. Other	—	—	—	—
Finance costs	593	1.2	1,200	0.4
1. Interest expenses paid on loans and bonds	512	1.1	1,000	(6.1)
2. Other	81	2.0	200	54.5
Share of loss (profit) of entities accounted for using equity method	787	—	1,300	—

8. Main changes in consolidated statements of financial position

(Millions of yen)

Item	As of Aug 31, 2018	As of Feb 28, 2018	Change	Remarks
Current assets				
Cash and deposits	33,878	38,883	(5,005)	Mainly Parco
Assets held for trading	—	6,732	(6,732)	Sales of shares of Senshukai
Non-current assets				
Construction in progress	64,677	52,435	12,242	Mainly rebuilding of main building of Daimaru Shinsaibashi store and Shibuya Parco redevelopment
Real estate for investment	197,823	195,608	2,215	Mainly Real Estate Business of Daimaru Matsuzakaya
Current liabilities				
Short-term loans payable	43,880	45,230	(1,350)	Mainly J. Front Retailing and Parco
Non-current liabilities				
Long-term loans payable	82,080	88,160	(6,080)	Mainly Parco and J. Front Retailing
Net defined benefit liability	29,246	29,909	(663)	Mainly Daimaru Matsuzakaya Department Stores

9. Number of employees of consolidated companies (results and full year forecast)

(Persons)

Component	As of August 31, 2018				As of February 28, 2019			
	Regular	Dedicated	Fixed-term	Total	Regular	Dedicated	Fixed-term	Total
J. Front Retailing	123	2	17	142	135	2	14	151
Department Store Business	2,471	194	450	3,115	2,441	196	423	3,060
[Daimaru Matsuzakaya Department Stores]	[1,963]	[130]	[235]	[2,328]	[1,943]	[132]	[231]	[2,306]
Parco Business	1,571	—	622	2,193	1,551	—	632	2,183
Real Estate Business	49	2	5	56	48	2	6	56
Credit and Finance Business	130	40	19	189	129	40	29	198
Other	2,498	1,476	804	4,778	2,432	1,436	822	4,690
Total	6,842	1,714	1,917	10,473	6,736	1,676	1,926	10,338

II. Daimaru Matsuzakaya Department Stores Non-consolidated Statements 【IFRS】

1－1. Business performance (results)

(Millions of yen, %)

Item	Six months ended August 31, 2018			YoY	
	Department Store Business	Real Estate Business	Total Daimaru Matsuzakaya	Amount	%
1. Gross sales	320,144	8,463	328,487	6,890	2.1
2. Sales revenue	120,502	8,387	128,769	5,305	4.3
3. Gross profit	69,886	4,343	74,110	2,411	3.4
4. Gross margin	58.00 %	51.79 %	57.55 %		Difference (0.52) %
5. SGA	58,273	1,299	59,452	262	0.4
6. Business profit	11,613	3,044	14,657	2,148	17.2
7. Operating profit	10,998	2,698	13,697	98	0.7
8. Profit before income taxes	12,067	2,139	14,207	407	2.9
9. Profit			9,808	149	1.5
10. Total assets			508,208	8,849	
11. Equity			196,012	6,140	
12. Equity ratio			38.6 %		Difference 0.6 %
13. Interest-bearing debt			69,873	3,715	
14. Financial balance			510	310	
15. Cash flows from operating activities			16,160	3,936	
16. Cash flows from investing activities			(15,304)	(10,762)	
17. Cash flows from financing activities			(650)	7,017	
18. Return on equity (ROE)			5.1 %		Difference (0.4) %
19. Return on assets (ROA)			2.7 %		Difference (0.1) %
20. Return on investment (ROI)			5.4 %		Difference 0.0 %

Notes: 1. The totals of the Department Store Business and the Real Estate Business differ from the totals of Daimaru Matsuzakaya Department Stores due to intersegment eliminations.

2. Sales from *shoka shiire* of sales revenue under IFRS have been converted into gross amount to calculate gross sales.

3. Business profit is calculated by subtracting sales cost and SGA from sales revenue.

4. Profit, operating profit and profit before income taxes are used to calculate ROE, ROA and ROI, respectively.

5. Changes at Items 10, 11, 12 and 13 are comparisons with the end of the previous business year.

1－2. Business performance (full year forecast)

(Millions of yen, %)

Item	Full year ending February 28, 2019			YoY	
	Department Store Business	Real Estate Business	Total Daimaru Matsuzakaya	Amount	%
1. Gross sales	674,100	17,100	691,000	17,846	2.7
2. Sales revenue	251,000	17,000	267,800	10,349	4.0
3. Gross profit	146,300	7,000	153,000	4,519	3.0
4. Gross margin	58.29 %	41.18 %	57.13 %		Difference (0.54) %
5. SGA	121,900	2,400	124,000	2,083	1.7
6. Business profit	24,400	4,600	29,000	2,437	9.2
7. Operating profit	23,100	4,000	27,100	(1,197)	(4.2)
8. Profit before income taxes	24,400	2,900	27,300	(953)	(3.4)
9. Profit			18,800	(448)	(2.3)
10. Total assets			505,000	5,641	
11. Equity			200,000	10,128	
12. Equity ratio			39.6 %		Difference 1.6 %
13. Interest-bearing debt			63,000	(3,158)	
14. Financial balance			200	244	
15. Cash flows from operating activities			32,200	1,017	
16. Cash flows from investing activities			(17,700)	(9,848)	
17. Cash flows from financing activities			(14,500)	8,910	
18. Return on equity (ROE)			9.6 %		Difference (1.0) %
19. Return on assets (ROA)			5.4 %		Difference (0.3) %
20. Return on investment (ROI)			10.5 %		Difference (0.6) %

Notes: 1. The totals of the Department Store Business and the Real Estate Business differ from the totals of Daimaru Matsuzakaya Department Stores due to intersegment eliminations.

2. Sales from *shoka shiire* of sales revenue under IFRS have been converted into gross amount to calculate gross sales.

3. Business profit is calculated by subtracting sales cost and SGA from sales revenue.

4. Profit, operating profit and profit before income taxes are used to calculate ROE, ROA and ROI, respectively.

2. Summary of gross sales (Department Store)

(1) Sales by store

(Millions of yen, %)

Store \ Term		Six months ended August 31, 2018		Full year ending February 28, 2019	
		Amount	YoY	Amount	YoY
Daimaru	Osaka Shinsaibashi	42,587	9.3	89,270	6.3
	Osaka Umeda	31,874	2.1	66,940	2.9
	Tokyo	39,804	3.1	82,630	4.5
	Kyoto	32,881	0.6	69,870	1.6
	Yamashina	1,796	(2.7)	3,680	(2.5)
	Kobe	37,436	(4.4)	78,550	(4.7)
	Suma	4,099	(5.0)	8,510	(4.2)
	Ashiya	3,237	(1.4)	6,750	(0.2)
	Sapporo	31,365	4.4	67,720	4.0
Matsuzakaya	Nagoya	56,974	1.4	121,290	3.1
	Ueno	20,322	3.6	41,630	5.7
	Shizuoka	10,234	(2.4)	21,570	1.0
	Takatsuki	4,120	(3.4)	8,500	(1.2)
	Toyota	3,408	(6.9)	7,190	(3.9)
Total		320,144	1.4	674,100	2.2
Excluding the Urawa Parco store and the portion of the tenants around the Kobe store transferred to the Real Estate Business		320,144	2.5	—	—

Notes: 1.The Daimaru Urawa Parco store closed on July 31, 2017.
2.Sales of the Kobe store were up 1.0% compared to year-ago sales excluding the portion of the tenants around the store transferred to the Real Estate Business.

(2) YoY change in monthly sales

(%)

Month	March	April	May	June	July	August	Six months ended August 31, 2018
Total all stores	4.0	4.9	0.1	4.0	(5.2)	2.6	1.4

(3) Sales classification

(i) Share of cash/credit sales

(Millions of yen, %)

Category	Amount	YoY	Share
Cash sales	244,318	1.2	76.3
Credit sales	75,825	2.3	23.7
Total	320,144	1.4	100.0

(ii) Share of sales to corporate/individual customers (credit sales)

(%)

Category	Six months ended Aug 31, 2018	Six months ended Aug 31, 2017	Sales YoY
Corporate	13.2	13.4	1.1
Individual	86.8	86.6	2.5
Total	100.0	100.0	2.3

(iii) Number of the Company's cards issued, number of active cardholders and sales

(Millions of yen, %)

Category	Number of cards issued	Number of active cardholders	Sales	YoY	% of total sales to individual customers
Otokuisama Gold Card	299	210	64,421	2.5	21.1
Daimaru Matsuzakaya Card <Gold>	121	81	11,579	2.1	3.8
Daimaru Matsuzakaya Card	1,509	1,034	74,558	(5.9)	24.4
Total	1,931	1,326	150,559	(1.9)	49.3
Point card for cash purchases	1,875	1,194	33,016	(5.9)	10.8
Other	418	240	14,696	(3.2)	4.8
Total	4,225	2,516	186,381	(2.7)	61.0

Notes: 1. "Point card for cash purchases" includes Daimaru Matsuzakaya Point Card, Daimaru D Card, Matsuzakaya M Card and Ufufu Girls Card.
"Other" includes the cards of membership organizations such as "Tomonokai" and "Bridal Circle."

2. The total number of active cardholders and total sales differ from total of each card because some hold more than one card.

3. Daimaru Matsuzakaya Card <Gold> includes Daimaru Card Gold and Matsuzakaya Card Gold.
Daimaru Matsuzakaya Card includes Daimaru Card and Matsuzakaya Card.

(4) Sales by merchandise category and gross margin ratio

(Millions of yen, %)

Merchandise category	Sales	YoY % change	Share	Share LY	Gross margin ratio	YoY RD
Clothing	126,692	(0.1)	39.6	40.2	25.25	(0.37)
Accessories	26,079	(2.4)	8.1	8.5	28.72	(0.63)
General goods	61,298	15.3	19.1	16.8	25.56	0.12
Household goods	13,115	(3.8)	4.1	4.3	25.28	(0.35)
Foods	70,649	(2.4)	22.1	23.0	16.01	(0.39)
Other	22,308	(2.3)	7.0	7.2	17.97	2.81
Total	320,144	1.4	100.0	100.0	23.05	0.01

(5) Number of business days and total number of customers by store

		Number of business days		Change	Total number of customers	YoY
		Six months ended Aug 31, 2018	Six months ended Aug 31, 2017			
		Days	Days	Days	Thousand persons	%
Daimaru	Osaka Shinsaibashi	183	184	(1)	9,331	17.1
	Osaka Umeda	183	184	(1)	18,342	(0.8)
	Tokyo	184	184	0	19,705	(1.0)
	Kyoto	184	184	0	7,428	0.6
	Yamashina	184	184	0	1,125	(2.6)
	Kobe	184	184	0	5,526	(4.3)
	Suma	184	184	0	3,201	(4.5)
	Ashiya	184	184	0	3,107	(2.6)
	Sapporo	184	184	0	11,076	1.5
	Urawa Parco	—	153	(153)	—	—
Matsuzakaya	Nagoya	184	184	0	9,586	2.6
	Ueno	184	184	0	4,962	32.7
	Shizuoka	184	184	0	3,601	2.8
	Takatsuki	183	184	(1)	2,976	(2.3)
	Toyota	184	184	0	1,654	(4.5)
Total				—	101,627	1.0

Note: The Daimaru Urawa Parco store closed on July 31, 2017.

(6) Duty-free sales

(Millions of yen, %)

		Amount	YoY	Sales share
Daimaru	Osaka Shinsaibashi	14,953	35.8	35.1
	Osaka Umeda	2,660	49.3	8.3
	Tokyo	1,814	17.8	4.6
	Kyoto	2,141	68.2	6.5
	Kobe	1,004	22.5	2.7
	Sapporo	3,349	43.1	10.7
Matsuzakaya	Nagoya	1,712	86.8	3.0
	Ueno	497	44.2	2.5
	Shizuoka	86	31.3	0.8
Total		28,221	40.4	8.8

Note: Sales share is the duty-free sales percentage of total sales of each store.

(7) Average spend per customer / purchase ratio

	Six months ended Aug 31, 2018	Six months ended Aug 31, 2017	YoY (%)
Average spend per customer (Yen)	4,676	4,444	5.2
Purchase ratio (%)	50.9	53.4	(2.5)

Note:

$$\text{Average spend per customer} = \frac{\text{Cash sales}}{\text{Number of receipts issued}}$$

$$\text{Purchase ratio} = \frac{\text{Number of receipts issued}}{\text{Number of customers}}$$

3. Components of SGA (results and full year forecast)

(Millions of yen, %)

Component	Six months ended August 31, 2018			Full year ending February 28, 2019		
	Amount	YoY	Ratio to sales	Amount	YoY	Ratio to sales
Personnel expenses	12,653	(1.1)	9.8	25,500	(2.0)	9.5
Advertising expenses	4,047	(3.5)	3.1	8,040	(0.5)	3.0
Packaging and delivery expenses	1,216	(27.8)	0.9	3,180	(10.5)	1.2
Rent expenses	8,613	(4.4)	6.7	17,320	(3.5)	6.5
Depriciation	4,482	8.4	3.5	9,220	10.0	3.4
Operational costs	4,820	4.3	3.7	10,430	11.5	3.9
Other	23,618	3.8	18.5	50,310	3.5	18.8
Total	59,452	0.4	46.2	124,000	1.7	46.3

Note: Depreciation is included in cost of sales as well as SGA.
Six months ended August 31, 2018: 1,675 million yen / Full year ending February 28, 2019: 3,359 million yen

4. Components of other operating income and expense (results and full year forecast)

(Millions of yen)

Component	Six months ended Aug 31, 2018	Full year ending Feb 28, 2019	Remarks
Other operating income	383	400	
1. Gain on sales of non-current assets	22	22	
2. Other	360	377	
Other operating expense	1,343	2,300	
1. Loss on disposal of non-current assets	595	1,500	Sales floor renovation, etc.
2. Impairment loss	295	295	Underutilized real estate and Yamashina store
3. Other	453	504	

5. Components of finance income and costs (results and full year forecast)

(Millions of yen, %)

Component	Six months ended August 31, 2018		Full year ending February 28, 2019	
	Amount	YoY	Amount	YoY
Finance income	1,035	32.0	1,300	16.9
Interest and dividend income	1,035	32.0	1,300	16.9
Finance costs	525	(10.0)	1,100	(4.8)
Interest expenses	525	(10.0)	1,100	(4.8)