

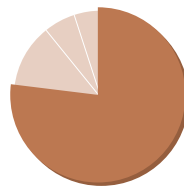
## At a Glance

### Sales and operating income

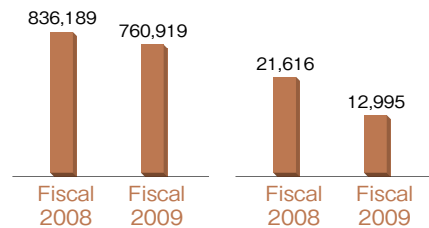
- The percentage of total sales represents the ratio of sales to external customers after eliminating intersegment transactions.
- Sales and operating income include intersegment transactions.

### Department store business

Percentage of total sales

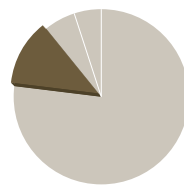


Sales (Millions of yen) Operating income (Millions of yen)

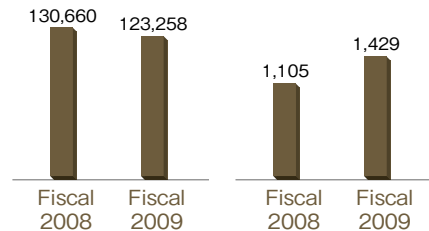


### Supermarket business

Percentage of total sales

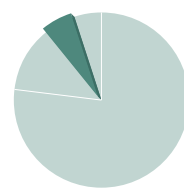


Sales (Millions of yen) Operating income (Millions of yen)

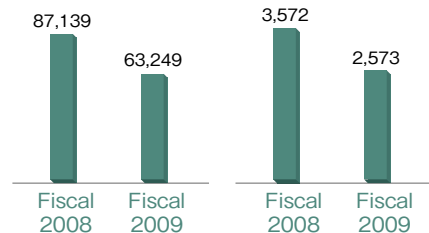


### Wholesale business

Percentage of total sales

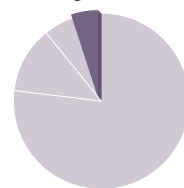


Sales (Millions of yen) Operating income (Millions of yen)

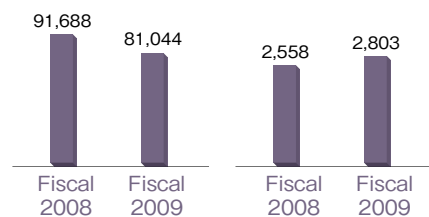


### Other businesses

Percentage of total sales



Sales (Millions of yen) Operating income (Millions of yen)



## Department store business

### Overview for fiscal 2009

During fiscal 2009, this segment implemented a variety of measures to minimize sales decline including the active introduction of new brands that department stores had not dealt in before and the expansion of in-store bargain sales and topical events in an effort to respond to the changing values of customers such as tighter purse strings, greater price consciousness and increasing preference for casual attire and expand target customers. It also made company-wide efforts to further reduce costs.

Some Daimaru stores show a positive sign: Shinsaibashi store is beginning to produce results by opening the north wing in November 2009 to establish a new department store model and attracting new young and around 30-year-old customers, Sapporo store has increased income for six consecutive years since its opening in 2003, and Tokyo store posted a sales increase for the single month of February. Affected by worsening floor environment and surrounding environment due to remodeling, however, major stores in the Kansai area including Umeda and Kyoto stores decreased sales. As a result, Daimaru decreased gross profit by ¥10.3 billion (down 8.8%) from the previous year. In reference to costs, though facility and other costs related to the north wing of Shinsaibashi store increased by ¥1.5 billion, selling, general and administrative expenses decreased by ¥5 billion (down 4.7%) from the previous year owing to the efforts to reduce all costs including labor costs and advertising expenses by reviewing retail floor operation. Since gross profit decreased significantly due to sales decline, however, operating income amounted to ¥5.1 billion (down 51.0% from the previous year).

In the meantime, Matsuzakaya tackled management reforms seriously with a view to merging Daimaru into one company, including the standardization of organizations and business operation systems with Daimaru in the second half of 2009. As a result, selling, general and administrative expenses were reduced by ¥5.1 billion (down 8.9%) compared to the previous year due to more efficient management and lower costs. Greatly affected by sluggish sales of its flagship Nagoya store and Corporate Sales Division, however, gross profit decreased by ¥7.4 billion (down 11.5% from the previous year) and operating income amounted to ¥3.5 billion (down 38.7% from the previous year).

Thus both Daimaru and Matsuzakaya had a difficult time and affiliated department stores including Hakata Daimaru saw revenue and profit fall. Affected by these facts and Yokohama Matsuzakaya and Imabari Daimaru, which closed during the previous fiscal year (Yokohama Matsuzakaya closed on October 26, 2008 and Imabari Daimaru on

December 31, 2008.), the whole department store business recorded sales of ¥760.9 billion (down 9.0% from the previous year) and operating income of ¥12.9 billion (down 39.9% from the previous year).

### Outlook for fiscal 2010

Daimaru Matsuzakaya Department Stores, which was formed by merging Daimaru and Matsuzakaya on March 1, 2010, expects the full contribution of sales of Shinsaibashi store's north wing, which opened in November 2009, for eight months from March to October and the effect of Kyoto store's first phase of refurbishment mainly of women's wear and women's accessories floors on April 22. Whereas the floor space of Umeda store will reduce by half at the peak of floor closure due to its refurbishment work to substantially increase its floor space in spring 2011 and it will greatly affect sales of Umeda store. Taking into consideration these factors and the negative impact of Okazaki store, which closed in January, and Nagoya Station store, which will close at the end of August 2010, the company projects a slight revenue decline of 0.6%.

In the meantime, since selling, general and administrative expenses will be reduced by only ¥2.9 billion due to the additional expenses of the north wing of Shinsaibashi store for eight months and the additional costs of ¥7.3 billion mostly including facility expenses to be incurred from the refurbishment of Umeda and Kyoto stores and others while labor and other costs will be cut by ¥10.2 billion from the previous year through the reforms of personnel structure and cost structure, which are fundamental to building a new department store model. Accordingly, the company expects operating income of ¥9 billion (up 4.2% from the previous year).

For fiscal 2010, the revenue of department store business including affiliated department stores is projected to decrease by 1.1%, while operating income is expected to remain almost unchanged at ¥13 billion.



Daimaru Shinsaibashi store

## Supermarket business

### Overview for fiscal 2009

This segment operates 90 stores (as of May 2010) mainly in Tokyo, Kansai and Chubu areas, and with the aim of gaining the patronage of local customers as a food supermarket chain, ensures food security and safety, promotes the development of private brand products, expands new campaigns such as "value prices every day" and improves its product lineup to meet customers' expectations.

During fiscal 2009, Nikke Colton Plaza store (Ichikawa, Chiba) and Hakuraku Rokkakubashi store (Yokohama, Kanagawa) were newly opened in May and November respectively. Some stores including Granpark Tamachi store (Minato-ku, Tokyo) and Jiyugaoka store (Meguro-ku, Tokyo), which were extensively remodeled, enjoyed good sales. But the whole segment posted sales of ¥123.2 billion (down 5.7% from the previous year) due to store closures and intensifying competition among areas amid a severe consumption environment.

However, reviewing store operations from the standpoint of thoroughly low-cost operation, enhancing human productivity through the centralization of the headquarters functions and greatly reducing selling, general and administrative expenses resulted in operating income of ¥1.4 billion (up 29.3% from the previous year).



Nikke Colton Plaza store

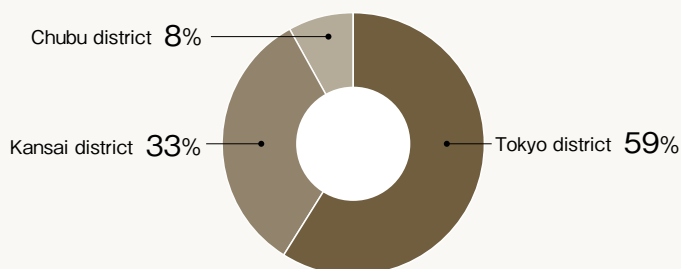


Private brand "Peacock Choice"

### Outlook for fiscal 2010

For fiscal 2010, this segment forecasts a revenue decline due to the new opening of only Nakano store, the closure of unprofitable stores and a harsh competitive climate. Whereas operating income is projected to be ¥1.4 billion (up 0.8% from the previous year) through cost structure reform including the streamlining of operation and thorough cost control.

Sales by district (Fiscal 2009)



### Store locations (As of May 2010)

#### Tokyo district (53 stores)

##### ■ Daimaru Peacock

Aoyama  
Sodegaura  
Takanawa Gyozanzaka  
Mejiro  
Jiyugaoka  
Asagaya  
Shimokitazawa  
Fujisawa  
Misato  
Ebisu  
Tama  
Kunitachi Sakuradori  
Yokohamabashi  
Kugayama  
Takadanobaba  
Azabu Juban  
logi  
Kyodo  
Shinurayasu  
Toritsukasei  
Sakurashinmachi  
Takanodai  
Higashikoganei  
Kamikedai  
Bunkyo Green Court  
Mita Isarago

##### ■ Matsuzakaya Store

Tamagawa Josui  
Ishikawadai  
Hanakoganei  
Kunitachi Bentendori  
Fujisawa Treage Shirahata  
Sangenchaya no Mori  
Torare Nihonbashi Hamacho  
Daikanyama Peacock  
Higashi Ikebukuro  
Shibaura Island  
Daimaru Tokyo Store  
Kanda Tsumakoisaka

##### ■ Exe Peacock

Granduo Kamata

##### ■ Peacock Store

Hakuraku Rokkakubashi

Granpark Tamachi  
Kami Ikebukuro  
Yokodai  
Nikke Colton Plaza

※Closed due to rebuilding  
Daimaru Peacock Nakano  
(Reopen in winter 2010)

#### Kansai district (29 stores)

##### ■ Daimaru Peacock

Senri Daimaru Plaza  
Tsukumodai  
Kitasenri  
Meimai  
Nakamiya  
Takakuradai  
Matsugaoka  
Karibadai  
Tsukahara  
Hoshida  
Senri Minamimachi Plaza  
Ashiya Nangu  
Koshien  
Kotoen  
Yamada  
Mukonosu  
Senriyama

Mino Sakuragaoka  
Konan  
Ashiya Kawanishi  
Kitayamato Mayumi  
Takarazuka Nakayama  
Mino Gein  
Nishi Umeda  
Shin Kobe  
Shinsenri Nishimachi  
Dojima Crosswalk

■ Peacock Store  
Korigaoka  
Senboku Harumidai

#### Chubu district (8 stores)

##### ■ Matsuzakaya Store

Motoyama  
Tsukimigaoka  
Fujigaoka  
Hishino  
Hongo  
Hirabari  
Miyoshi  
Chiyoada

## Wholesale business

### Overview for fiscal 2009

A wholesale company Daimaru Kogyo, Ltd. deals in electronic parts, food products, packaging materials, chemical products, metal and resin products, housing and building materials, textile products and fishing rods. The company has 16 business places in Japan and abroad and provides solutions to customers mainly in the triangular market including Japan, China and ASEAN countries through various services ranging from the procurement of industrial materials and retail merchandise to after-sales care.

For fiscal 2009, though the company developed new merchandise and sales channels to meet changing market needs amid the poor performance of the overall segment including industrial materials such as chemical products and metal and resin products due to worsening business environment, sales amounted to ¥63.2 billion (down 27.4% from the previous year). In spite of the efforts to further rationalize all costs, operating income stood at ¥2.5 billion (down 28.0% from the previous year).

### Outlook for fiscal 2010

For fiscal 2010, the company projects operating income of ¥2.5 billion (up 0.3% from the previous year) by strengthening its business through the contribution to the retail solutions of JFR Group, the diversification and the increase of the added value of business in China and the expansion of business in ASEAN countries as well as reorganizing and strengthening each business unit that develops new merchandise and businesses to reduce decline in income while thoroughly controlling costs by cutting labor costs through the improvement of labor composition.



## Other businesses

### Overview for fiscal 2009

Other businesses mainly include a design and construction business and a credit business.

For fiscal 2009, J. Front Design & Construction Co., Ltd., which operates a design and construction business, drastically decreased income due to the reduction of capital investment attributable to corporate performance worsened by recession and a decrease in building construction starts owing to sluggish personal consumption. As a result, sales in this segment amounted to ¥81 billion (down 11.6% from the previous year).

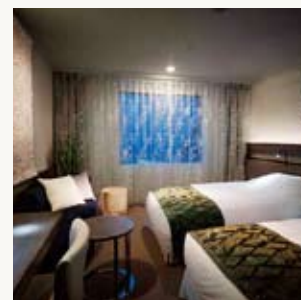
JFR Card Co., Ltd., which operates a credit business, greatly increased profits because the company increased its membership to 1,150,000 accounts and finished incurring temporary expenses from issuing new card in the previous year. Eight companies in total increased profits and operating income in this segment amounted to ¥2.8 billion (up 9.6% from the previous year).

### Outlook for fiscal 2010

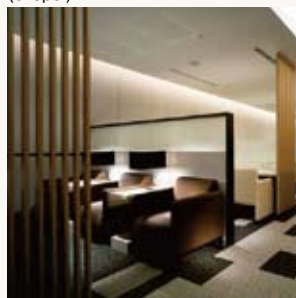
For fiscal 2010, J. Front Design & Construction expects to substantially increase income and profits due to large refurbishment orders from Daimaru Kyoto and Umeda department stores of JFR Group. JFR Card also projects revenue and profit growth through the issue of department store chain's first character card "Sakura Panda Card" as well as the revitalization of its existing cards to expand and improve business infrastructure. With these efforts, operating income in this segment as a whole is forecast to be ¥3.3 billion (up 18.8% from the previous year).



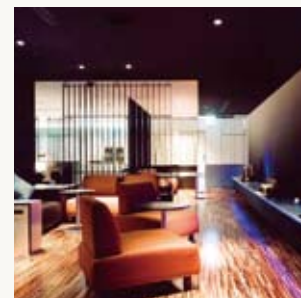
Sheraton Grande Tokyo Bay Hotel (chapel)



Hotel Granvia Osaka



ANA Lounge, Shin-Chitose Airport



ANA Lounge, Fukuoka Airport