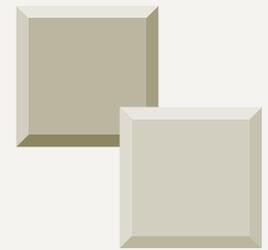


Consolidated Balance Sheet

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

February 28, 2015

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2015	2014	2015
Assets			
Current assets:			
Cash and deposits (Notes 15 and 24)	¥34,106	¥34,728	\$285,956
Notes and accounts receivable – trade (Notes 15 and 16)	75,556	66,265	633,487
Securities (Notes 10 and 15)	1,353	400	11,344
Inventories (Note 5)	31,204	29,690	261,625
Deferred tax assets (Note 25)	12,182	11,663	102,138
Other (Note 15)	38,058	32,502	319,091
Less allowance for doubtful accounts	(151)	(221)	(1,266)
Total current assets	192,310	175,031	1,612,392
Non-current assets:			
Property and equipment (Notes 6, 7, 8, 9, 13, 19 and 27):			
Land	349,578	349,701	2,930,980
Buildings and structures, net	187,935	183,380	1,575,711
Construction in progress	114,097	115,273	956,628
Other, net	5,192	5,199	43,531
Total property and equipment	656,804	653,554	5,506,867
Intangible assets (Note 27):			
Goodwill	2,005	2,638	16,811
Other	41,001	40,825	343,766
Total intangible assets	43,007	43,463	360,585
Investments and other assets:			
Investment securities (Notes 8, 10 and 15)	21,817	25,018	182,921
Investments in unconsolidated subsidiaries and affiliates (Notes 15 and 27)	15,699	14,774	131,626
Long-term loans receivable	1,506	1,537	12,627
Deposits and guarantees (Note 15)	61,985	65,566	519,703
Asset for retirement benefits (Note 12)	11,864	–	99,472
Deferred tax assets (Note 25)	4,159	3,074	34,870
Other (Notes 12 and 15)	12,110	19,361	101,534
Less allowance for doubtful accounts	(2,564)	(2,651)	(21,497)
Total investments and other assets	126,578	126,680	1,061,273
Total non-current assets	826,389	823,698	6,928,725
Total assets (Note 27)	¥1,018,700	¥998,730	\$8,541,125



	Millions of yen	Thousands of U.S. dollars (Note 1)	
	2015	2014	2015
Liabilities and net assets			
Current liabilities:			
Notes and accounts payable – trade (Notes 8, 15 and 16)	¥95,020	¥86,501	\$796,680
Short-term loans payable (Notes 8, 11 and 15)	9,268	14,230	77,706
Commercial papers (Note 15)	28,691	32,192	240,555
Current portion of long-term debt (Notes 8, 11, 15 and 16)	25,867	17,926	216,878
Income taxes payable (Notes 15 and 25)	12,702	4,999	106,498
Advances received	18,656	18,651	156,418
Gift certificates outstanding	37,973	37,853	318,378
Provision for bonuses to employees	5,630	5,710	47,204
Provision for bonuses to directors and audit and supervisory board members	194	201	1,627
Provision for sales returns	22	27	184
Provision for loss on books unsalable	113	129	947
Provision for sales promotion expenses	722	736	6,053
Provision for loss on utilization of gift certificates	13,241	12,331	111,017
Provision for loss on business liquidation	121	94	1,015
Provision for loss on store reconstruction	760	–	6,372
Other	56,477	51,537	473,522
Total current liabilities	305,463	283,124	2,561,105
Non-current liabilities:			
Long-term debt (Notes 8, 11, 15 and 16)	107,355	126,607	900,101
Deferred tax liabilities (Note 25)	101,486	104,890	850,893
Deferred tax liabilities for land revaluation (Note 25)	1,279	1,279	10,724
Accrued retirement benefits (Note 12)	–	17,049	–
Liability for retirement benefits (Note 12)	31,514	–	264,224
Accrued retirement benefits for directors and audit and supervisory board	39	56	327
Provision for loss on store reconstruction	–	1,320	–
Other (Note 15)	41,096	42,185	344,563
Total non-current liabilities	282,771	293,390	2,370,848
Total liabilities	588,235	576,515	4,931,961
Contingent liabilities (Note 17)			
Net assets:			
Shareholders' equity (Note 14):			
Common stock:			
Authorized – 1,000,000,000 shares in 2015 and 2,000,000,000 shares in 2014			
Issued – 268,119,164 shares in 2015 and 536,238,328 shares in 2014	30,000	30,000	251,530
Capital surplus	209,556	209,557	1,756,988
Retained earnings	147,760	134,178	1,238,870
Treasury stock, at cost: 4,205,258 shares in 2015 and 8,372,594 shares in 2014	(6,369)	(6,343)	(53,400)
Total shareholders' equity	380,947	367,392	3,193,988
Accumulated other comprehensive income (loss):			
Net unrealized holding gain on securities (Note 10)	2,352	2,357	19,720
Net unrealized deferred loss on hedging instruments (Note 16)	(35)	(25)	(293)
Foreign currency translation adjustments	659	449	5,525
Retirement benefits adjustments (Note 12)	(7,832)	–	(65,666)
Total accumulated other comprehensive income (loss)	(4,855)	2,780	(40,706)
Stock subscription rights (Note 14)	15	15	126
Minority interests	54,357	52,025	455,747
Total net assets (Note 26)	430,465	422,215	3,609,164
Total liabilities and net assets	¥1,018,700	¥998,730	\$8,541,125

See accompanying notes to the consolidated financial statements.