

Consolidated Statement of Changes in Net Assets

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

Year ended February 29, 2016

| | Millions of yen | | | | | |
|---|---------------------------|----------------------|-------------------|-------------------------|------------------|----------------------------|
| | Number of shares in issue | Shareholders' equity | | | | Total shareholders' equity |
| Common stock | | Capital surplus | Retained earnings | Treasury stock, at cost | | |
| Balance at March 1, 2014 | 536,238,328 | ¥30,000 | ¥209,557 | ¥134,178 | ¥(6,343) | ¥367,392 |
| Cumulative effects of changes in accounting policies (Note 3) | - | - | - | (254) | - | (254) |
| Restated balance at March 1, 2014 | 536,238,328 | 30,000 | 209,557 | 133,924 | (6,343) | 367,138 |
| Changes in items during the period: | | | | | | |
| Cash dividends | - | - | - | (6,336) | - | (6,336) |
| Net income | - | - | - | 19,967 | - | 19,967 |
| Purchase of treasury stock | - | - | - | - | (39) | (39) |
| Disposal of treasury stock | - | - | (1) | - | 14 | 12 |
| Consolidation of shares | (268,119,164) | - | - | - | - | - |
| Net changes in items other than shareholders' equity | - | - | - | - | - | - |
| Total changes in items during the period | (268,119,164) | - | (1) | 13,631 | (25) | 13,604 |
| Balance at March 1, 2015 | 268,119,164 | 30,000 | 209,556 | 147,555 | (6,369) | 380,742 |
| Cumulative effects of changes in accounting policies (Note 3) | - | - | - | (3,065) | - | (3,065) |
| Restated balance at March 1, 2015 | 268,119,164 | 30,000 | 209,556 | 144,490 | (6,369) | 377,677 |
| Changes in items during the period: | | | | | | |
| Cash dividends | - | - | - | (6,832) | - | (6,832) |
| Net income | - | - | - | 26,313 | - | 26,313 |
| Purchase of treasury stock | - | - | - | - | (5,025) | (5,025) |
| Disposal of treasury stock | - | - | (4) | - | 108 | 103 |
| Net changes in items other than shareholders' equity | - | - | - | - | - | - |
| Total changes in items during the period | - | - | (4) | 19,481 | (4,917) | 14,559 |
| Balance at February 29, 2016 | 268,119,164 | ¥30,000 | ¥209,551 | ¥163,971 | ¥(11,286) | ¥392,236 |



| | Millions of yen | | | | | | | Total net assets |
|---|---|--|--|---------------------------------|---|---------------------------|--------------------|------------------|
| | Accumulated other comprehensive income (loss) | | | | | | | |
| | Net unrealized holding gain on securities | Net unrealized deferred gain (loss) on hedging instruments | Foreign currency translation adjustments | Retirement benefits adjustments | Total accumulated other comprehensive income (loss) | Stock subscription rights | Minority interests | |
| Balance at March 1, 2014 | ¥2,357 | ¥(25) | ¥449 | ¥- | ¥2,780 | ¥15 | ¥52,025 | ¥422,215 |
| Cumulative effects of changes in accounting policies (Note 3) | - | - | - | - | - | - | - | (254) |
| Restated balance at March 1, 2014 | 2,357 | (25) | 449 | - | 2,780 | 15 | 52,025 | 421,960 |
| Changes in items during the period: | | | | | | | | |
| Cash dividends | - | - | - | - | - | - | - | (6,336) |
| Net income | - | - | - | - | - | - | - | 19,967 |
| Purchase of treasury stock | - | - | - | - | - | - | - | (39) |
| Disposal of treasury stock | - | - | - | - | - | - | - | 12 |
| Consolidation of shares | - | - | - | - | - | - | - | - |
| Net changes in items other than shareholders' equity | (4) | (9) | 210 | (7,832) | (7,636) | - | 2,331 | (5,304) |
| Total changes in items during the period | (4) | (9) | 210 | (7,832) | (7,636) | - | 2,331 | 8,299 |
| Balance at March 1, 2015 | 2,352 | (35) | 659 | (7,832) | (4,855) | 15 | 54,357 | 430,260 |
| Cumulative effects of changes in accounting policies (Note 3) | - | - | - | - | - | - | (114) | (3,179) |
| Restated balance at March 1, 2015 | 2,352 | (35) | 659 | (7,832) | (4,855) | 15 | 54,243 | 427,080 |
| Changes in items during the period: | | | | | | | | |
| Cash dividends | - | - | - | - | - | - | - | (6,832) |
| Net income | - | - | - | - | - | - | - | 26,313 |
| Purchase of treasury stock | - | - | - | - | - | - | - | (5,025) |
| Disposal of treasury stock | - | - | - | - | - | - | - | 103 |
| Net changes in items other than shareholders' equity | (238) | 258 | (143) | (3,558) | (3,681) | (1) | 2,637 | (1,045) |
| Total changes in items during the period | (238) | 258 | (143) | (3,558) | (3,681) | (1) | 2,637 | 13,513 |
| Balance at February 29, 2016 | ¥2,113 | ¥223 | ¥516 | ¥(11,391) | ¥(8,537) | ¥14 | ¥56,880 | ¥440,594 |

| | Thousands of U.S. dollars (Note 1) | | | | |
|---|------------------------------------|-----------------|-------------------|-------------------------|----------------------------|
| | Shareholders' equity | | | | |
| | Common stock | Capital surplus | Retained earnings | Treasury stock, at cost | Total shareholders' equity |
| Balance at March 1, 2015 | \$264,038 | \$1,844,358 | \$1,298,671 | \$(56,055) | \$3,351,012 |
| Cumulative effects of changes in accounting policies (Note 3) | - | - | (26,976) | - | (26,976) |
| Restated balance at March 1, 2015 | 264,038 | 1,844,358 | 1,271,695 | (56,055) | 3,324,036 |
| Changes in items during the period: | | | | | |
| Cash dividends | - | - | (60,130) | - | (60,130) |
| Net income | - | - | 231,588 | - | 231,588 |
| Purchase of treasury stock | - | - | - | (44,226) | (44,226) |
| Disposal of treasury stock | - | (35) | - | 951 | 907 |
| Net changes in items other than shareholders' equity | - | - | - | - | - |
| Total changes in items during the period | - | (35) | 171,457 | (43,276) | 128,138 |
| Balance at February 29, 2016 | \$264,038 | \$1,844,314 | \$1,443,153 | \$(99,331) | \$3,452,174 |

| | Thousands of U.S. dollars (Note 1) | | | | | | | |
|---|---|--|--|---------------------------------|---|---------------------------|--------------------|------------------|
| | Accumulated other comprehensive income (loss) | | | | | | | |
| | Net unrealized holding gain on securities | Net unrealized deferred gain (loss) on hedging instruments | Foreign currency translation adjustments | Retirement benefits adjustments | Total accumulated other comprehensive income (loss) | Stock subscription rights | Minority interests | Total net assets |
| Balance at March 1, 2015 | \$20,701 | \$(308) | \$5,800 | \$(68,932) | \$(42,730) | \$132 | \$478,410 | \$3,786,833 |
| Cumulative effects of changes in accounting policies (Note 3) | - | - | - | - | - | - | (1,003) | (27,979) |
| Restated balance at March 1, 2015 | 20,701 | (308) | 5,800 | (68,932) | (42,730) | 132 | 477,407 | 3,758,845 |
| Changes in items during the period: | | | | | | | | |
| Cash dividends | - | - | - | - | - | - | - | (60,130) |
| Net income | - | - | - | - | - | - | - | 231,588 |
| Purchase of treasury stock | - | - | - | - | - | - | - | (44,226) |
| Disposal of treasury stock | - | - | - | - | - | - | - | 907 |
| Net changes in items other than shareholders' equity | (2,095) | 2,271 | (1,259) | (31,315) | (32,397) | (9) | 23,209 | (9,197) |
| Total changes in items during the period | (2,095) | 2,271 | (1,259) | (31,315) | (32,397) | (9) | 23,209 | 118,932 |
| Balance at February 29, 2016 | \$18,597 | \$1,963 | \$4,541 | \$(100,255) | \$(75,136) | \$123 | \$500,616 | \$3,877,786 |

See accompanying notes to the consolidated financial statements.