

# Takashimaya Company, Limited

Takashimaya Reports Earnings for the First Three Months Ended May 31, 2009

## Consolidated Financial Statements

### Balance Sheets

(million yen)

|                                 | As of<br>May 31,<br>2009 | As of<br>February 28,<br>2009 |
|---------------------------------|--------------------------|-------------------------------|
|                                 | Amount                   | Amount                        |
| <b>Assets</b>                   |                          |                               |
| Current assets                  | <b>224,784</b>           | 206,617                       |
| Cash and deposits               | <b>31,569</b>            | 31,165                        |
| Notes and accounts receivable   | <b>106,483</b>           | 98,960                        |
| Marketable securities           | <b>8,020</b>             | 20                            |
| Inventories                     | <b>43,845</b>            | 42,409                        |
| Work in process                 | <b>2,575</b>             | 1,958                         |
| Materials and stored goods      | <b>512</b>               | 521                           |
| Other                           | <b>32,773</b>            | 32,485                        |
| Allowance for doubtful accounts | <b>(996)</b>             | (902)                         |
| Fixed assets                    | <b>545,040</b>           | 544,340                       |
| Tangible fixed assets           | <b>383,235</b>           | 382,808                       |
| Buildings and structures        | <b>161,140</b>           | 160,854                       |
| Land                            | <b>202,179</b>           | 202,165                       |
| Other                           | <b>19,915</b>            | 19,788                        |
| Intangible fixed assets         | <b>19,023</b>            | 19,273                        |
| Goodwill                        | <b>930</b>               | 954                           |
| Other                           | <b>18,092</b>            | 18,318                        |
| Investments and other assets    | <b>142,781</b>           | 142,257                       |
| Investment securities           | <b>77,426</b>            | 74,854                        |
| Long-term guarantee deposits    | <b>43,996</b>            | 43,787                        |
| Other                           | <b>25,035</b>            | 27,169                        |
| Allowance for doubtful accounts | <b>(3,677)</b>           | (3,553)                       |
| Total assets                    | <b>769,825</b>           | 750,957                       |

(million yen)

|  | <b>As of<br/>May 31,<br/>2009</b> | As of<br>February 28,<br>2009 |
|--|-----------------------------------|-------------------------------|
|  | <b>Amount</b>                     | Amount                        |
| <b>Liabilities</b>   |                                   |                               |
| Current liabilities  | <b>309,004</b>                    | 313,830                       |
| Notes and account payable  | <b>93,108</b>                     | 89,188                        |
| Short-term bank loans  | <b>17,027</b>                     | 14,249                        |
| Current portion of long-term debt                                    | <b>11,231</b>                     | 11,231                        |
| Accrued income taxes   | <b>2,609</b>                      | 3,571                         |
| Advances received  | <b>77,529</b>                     | 73,536                        |
| Gift certificates outstanding  | <b>48,857</b>                     | 49,572                        |
| Allowance for point gift certificates                                | <b>4,257</b>                      | 4,177                         |
| Allowance for loss on disposal of buildings and structures           | <b>23</b>                         | 810                           |
| Other  | <b>54,360</b>                     | 67,491                        |
| Fixed liabilities  | <b>176,218</b>                    | 155,215                       |
| Corporate bonds  | <b>10,000</b>                     | 10,000                        |
| Long-term debt   | <b>74,462</b>                     | 53,755                        |
| Allowance for employees' retirement benefits                         | <b>56,762</b>                     | 56,639                        |
| Allowance for directors' and corporate auditors' retirement benefits | <b>247</b>                        | 283                           |
| Other  | <b>34,746</b>                     | 34,537                        |
| Total liabilities  | <b>485,222</b>                    | 469,046                       |
| <b>Net assets</b>  |                                   |                               |
| Common stock   | <b>56,025</b>                     | 56,025                        |
| Additional paid-in capital   | <b>45,085</b>                     | 45,084                        |
| Retained earnings  | <b>168,370</b>                    | 169,704                       |
| Treasury stock   | <b>(504)</b>                      | (501)                         |
| Total shareholders' capital  | <b>268,976</b>                    | 270,312                       |
| Net unrealized gains/losses on other securities                      | <b>5,454</b>                      | 2,296                         |
| Net deferred gains/losses on hedge contracts                         | <b>26</b>                         | (38)                          |
| Land revaluation difference  | <b>8,624</b>                      | 8,624                         |
| Foreign currency translation adjustments                             | <b>(2,070)</b>                    | (2,795)                       |
| Total valuation and translation adjustments                          | <b>12,035</b>                     | 8,086                         |
| Minority interests   | <b>3,589</b>                      | 3,511                         |
| Total net assets   | <b>284,602</b>                    | 281,911                       |
| Total liabilities and net assets                                     | <b>769,825</b>                    | 750,957                       |

**Statements of Operations**

(million yen)

|  | Three months ended<br>May 31,<br>2009 |
|--|---------------------------------------|
|  | Amount                                |
| Net sales  | 195,711                               |
| Cost of sales  | 143,408                               |
| Gross profit   | 52,302                                |
| Other operating revenue  | 12,585                                |
| Gross operating income   | 64,888                                |
| Selling, general and administrative expenses                   | 62,765                                |
| Operating income   | 2,122                                 |
| Interest income  | 86                                    |
| Dividend income  | 107                                   |
| Equity in gains of affiliated companies                        | 354                                   |
| Other non-operating income                                     | 457                                   |
| Total non-operating income                                     | 1,005                                 |
| Interest expense   | 422                                   |
| Other non-operating expense                                    | 228                                   |
| Total non-operating expense                                    | 650                                   |
| Ordinary income  | 2,477                                 |
| Extraordinary gains  | 200                                   |
| Extraordinary losses   | 1,309                                 |
| Net income before income taxes                                 | 1,368                                 |
| Income taxes, inhabitants' tax, and enterprise taxes           | 1,207                                 |
| Income tax, inhabitants' tax, and enterprise tax for past year | -                                     |
| Income tax adjustments   | (265)                                 |
| Minority interests in earnings of consolidated subsidiaries    | 110                                   |
| Net income   | 316                                   |

**Statements of Cash Flows**

(million yen)

|  | Three months ended<br>May 31,<br>2009 |
|--|---------------------------------------|
|  | Amount                                |
| <b>I Cash flows from operating activities:</b>                         |                                       |
| Income before income taxes and minority interests                      | 1,368                                 |
| Depreciation   | 4,047                                 |
| Amortization of goodwill   | 23                                    |
| Allowance for doubtful accounts  | 216                                   |
| Allowance for employees' retirement benefits                           | 122                                   |
| Allowance for directors' and corporate auditors' retirement benefits   | (36)                                  |
| Allowance for point gift certificates                                  | 74                                    |
| Allowance for loss on disposal of buildings and structures             | (787)                                 |
| Interest and dividend income   | (194)                                 |
| Interest expenses  | 422                                   |
| Equity in gain of affiliated companies                                 | (354)                                 |
| Loss on disposal of property and equipment                             | 388                                   |
| Notes and accounts receivable  | (5,494)                               |
| Inventories  | (2,010)                               |
| Notes and accounts payable   | 3,843                                 |
| Other  | (1,936)                               |
| Subtotal   | (306)                                 |
| Interest and dividend income received                                  | 893                                   |
| Interest expense paid  | (79)                                  |
| Income taxes paid  | (1,956)                               |
| <b>Net cash used in operating activities</b>                           | <b>(1,448)</b>                        |
| <b>II Cash flows from investing activities:</b>                        |                                       |
| Purchase of time deposits maturing after three months                  | (12)                                  |
| Repayment of time deposits maturing after three months                 | 3,335                                 |
| Purchase of securities   | (2)                                   |
| Purchase of property and equipment                                     | (1,933)                               |
| Other  | (295)                                 |
| <b>Net cash provided by investing activities</b>                       | <b>1,090</b>                          |
| <b>III Cash flows from financing activities</b>                        |                                       |
| Proceeds from long-term bank loans                                     | 25,000                                |
| Repayment of long-term bank loans                                      | (1,515)                               |
| Redemption of bonds  | (13,000)                              |
| Cash dividends paid  | (1,649)                               |
| Other  | (47)                                  |
| <b>Net cash provided by financing activities</b>                       | <b>8,787</b>                          |
| <b>IV Effect of exchange rate changes on cash and cash equivalents</b> | <b>335</b>                            |
| <b>V Increase in cash and cash equivalents</b>                         | <b>8,765</b>                          |
| <b>VI Cash and cash equivalents at beginning of period</b>             | <b>27,750</b>                         |
| <b>VII Cash and cash equivalents at end of period</b>                  | <b>36,515</b>                         |

**Segment information (March 1, 2009 to May 31, 2009)**

(million yen)

|                                    | Department store | Contract & desing | Real estate | Finance | Other  | Total   | Elimination and corporate | Consolidated |
|------------------------------------|------------------|-------------------|-------------|---------|--------|---------|---------------------------|--------------|
| Sales and other operating revenue: |                  |                   |             |         |        |         |                           |              |
| Outside customers                  | 188,216          | 1,876             | 7,403       | 2,857   | 7,943  | 208,297 | -                         | 208,297      |
| intersegment                       | 1,484            | 1,237             | 1,425       | 1,038   | 6,580  | 11,765  | (11,765)                  | -            |
| Total                              | 189,701          | 3,113             | 8,828       | 3,896   | 14,523 | 220,063 | (11,765)                  | 208,297      |
| Operating income                   | 326              | (461)             | 1,640       | 538     | (38)   | 2,005   | 116                       | 2,122        |