

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended May 31, 2023 (Based on Japanese GAAP)

June 29, 2023

Company name: Takashimaya Company, Limited  
 Stock exchange listing: Tokyo  
 Stock code: 8233 URL <https://www.takashimaya.co.jp>  
 Representative: President Yoshio Murata  
 Inquiries: General Manager, Public and Investor Shuichiro Kurosu TEL (03)3211-4111  
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 Scheduled date to file Quarterly Securities Report: July 14, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended May 31, 2023 (from March 1, 2023 to May 31, 2023)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

|                                 | Operating revenue |     | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |      |
|---------------------------------|-------------------|-----|------------------|------|-----------------|------|---|------|
|                                 | Millions of yen   | %   | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %    |
| Three months ended May 31, 2023 | 105,557           | 4.2 | 11,038           | 66.4 | 11,621          | 59.2 | 8,540                                   | 59.8 |
| Three months ended May 31, 2022 | 101,313           | –   | 6,632            | –    | 7,300           | –    | 5,345                                   | –    |

|                                 | Earnings per share |  | Diluted earnings per share |  |
|---------------------------------|--------------------|--|----------------------------|--|
|                                 | Yen                |  | Yen                        |  |
| Three months ended May 31, 2023 | 54.14              |  | 46.06                      |  |
| Three months ended May 31, 2022 | 32.05              |  | 27.48                      |  |

#### (2) Consolidated financial position

|                         | Total assets    | Net assets      | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
|                         | Millions of yen | Millions of yen | %            |
| As of May 31, 2023      | 1,185,061       | 444,437         | 35.5         |
| As of February 28, 2023 | 1,178,201       | 436,482         | 35.1         |

### 2. Cash dividends

|  | Annual dividends per share |                 |                 |                 |       |
|--|----------------------------|-----------------|-----------------|-----------------|-------|
|  | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
|  | Yen                        |                 |                 |                 |       |
| Year ended February 28, 2023             | –                          | 12.00           | –               | 14.00           | 26.00 |
| Year ending February 29, 2024            | –                          |                 |                 |                 |       |
| Year ending February 29, 2024 (Forecast) |                            | 14.00           | –               | 14.00           | 28.00 |

### 3. Forecast of consolidated financial results for the year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

Percentages indicate year-on-year changes

|                                   | Operating revenue |      | Operating profit |      | Ordinary profit |      | Profit attributable to owners of parent |        | Earnings per share |
|-----------------------------------|-------------------|------|------------------|------|-----------------|------|---|--------|--------------------|
|                                   | Millions of yen   | %    | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %      | Yen                |
| Six months ending August 31, 2023 | 230,000           | 10.0 | 17,500           | 36.6 | 18,500          | 26.7 | 12,000                                  | (11.3) | 76.07              |
| Full year                         | 475,000           | 7.1  | 37,500           | 15.3 | 37,500          | 8.6  | 24,500                                  | (12.0) | 155.32             |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2023  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

|                    |                    |                         |                    |
|--------------------|--------------------|-------------------------|--------------------|
| As of May 31, 2023 | 177,759,481 shares | As of February 28, 2023 | 177,759,481 shares |
|--------------------|--------------------|-------------------------|--------------------|

Number of treasury shares at the end of the period

|                    |                   |                         |                   |
|--------------------|-------------------|-------------------------|-------------------|
| As of May 31, 2023 | 20,027,688 shares | As of February 28, 2023 | 20,027,587 shares |
|--------------------|-------------------|-------------------------|-------------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                 |                    |                                 |                    |
|---------------------------------|--------------------|---------------------------------|--------------------|
| Three months ended May 31, 2023 | 157,731,822 shares | Three months ended May 31, 2022 | 166,732,389 shares |
|---------------------------------|--------------------|---------------------------------|--------------------|

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|  | As of February 28, 2023 | As of May 31, 2023 |
|--|-------------------------|--------------------|
| <b>Assets</b>  |                         |                    |
| Current assets   |                         |                    |
| Cash and deposits  | 90,841                  | 95,767             |
| Notes and accounts receivable - trade, and contract assets | 143,477                 | 144,386            |
| Merchandise and finished goods                             | 35,201                  | 36,722             |
| Work in process  | 284                     | 373                |
| Raw materials and supplies                                 | 869                     | 819                |
| Other  | 31,625                  | 35,370             |
| Allowance for doubtful accounts                            | (770)                   | (746)              |
| Total current assets                                       | 301,530                 | 312,692            |
| Non-current assets   |                         |                    |
| Property, plant and equipment                              |                         |                    |
| Buildings and structures, net                              | 184,336                 | 182,337            |
| Land   | 419,938                 | 419,944            |
| Leased assets, net   | 1,625                   | 1,430              |
| Right of use assets, net                                   | 76,867                  | 75,649             |
| Other, net   | 22,749                  | 22,927             |
| Total property, plant and equipment                        | 705,517                 | 702,288            |
| Intangible assets  |                         |                    |
| Goodwill   | 2,394                   | 2,572              |
| Leasehold interests in land                                | 11,125                  | 11,080             |
| Right of use assets  | 6,477                   | 6,411              |
| Other  | 17,086                  | 17,397             |
| Total intangible assets                                    | 37,084                  | 37,461             |
| Investments and other assets                               |                         |                    |
| Investment securities                                      | 78,699                  | 78,971             |
| Guarantee deposits   | 27,075                  | 26,735             |
| Other  | 30,655                  | 29,392             |
| Allowance for doubtful accounts                            | (2,361)                 | (2,480)            |
| Total investments and other assets                         | 134,069                 | 132,619            |
| Total non-current assets                                   | 876,670                 | 872,369            |
| Total assets   | 1,178,201               | 1,185,061          |

(Millions of yen)

|  | As of February 28, 2023 | As of May 31, 2023 |
|--|-------------------------|--------------------|
| <b>Liabilities</b>   |                         |                    |
| <b>Current liabilities</b>   |                         |                    |
| Notes and accounts payable - trade                                   | 110,663                 | 115,894            |
| Short-term borrowings  | 9,660                   | 23,704             |
| Lease liabilities  | 10,368                  | 10,509             |
| Income taxes payable   | 3,219                   | 2,915              |
| Contract liabilities   | 96,912                  | 97,272             |
| Gift certificates  | 43,571                  | 42,495             |
| Provision for point card certificates                                | 2,201                   | 2,237              |
| Other  | 89,134                  | 86,170             |
| <b>Total current liabilities</b>                                     | <b>365,731</b>          | <b>381,199</b>     |
| <b>Non-current liabilities</b>                                       |                         |                    |
| Bonds payable  | 80,173                  | 80,165             |
| Long-term borrowings   | 123,750                 | 109,203            |
| Lease liabilities  | 79,856                  | 78,654             |
| Asset retirement obligations   | 5,872                   | 5,901              |
| Retirement benefit liability   | 50,206                  | 49,297             |
| Provision for retirement benefits for directors (and other officers) | 248                     | 216                |
| Provision for environmental measures                                 | 16                      | 16                 |
| Other  | 35,862                  | 35,968             |
| <b>Total non-current liabilities</b>                                 | <b>375,987</b>          | <b>359,424</b>     |
| <b>Total liabilities</b>   | <b>741,718</b>          | <b>740,624</b>     |
| <b>Net assets</b>  |                         |                    |
| <b>Shareholders' equity</b>  |                         |                    |
| Share capital  | 66,025                  | 66,025             |
| Capital surplus  | 54,790                  | 54,790             |
| Retained earnings  | 294,129                 | 300,462            |
| Treasury shares  | (32,690)                | (32,690)           |
| <b>Total shareholders' equity</b>                                    | <b>382,255</b>          | <b>388,588</b>     |
| <b>Accumulated other comprehensive income</b>                        |                         |                    |
| Valuation difference on available-for-sale securities                | 8,366                   | 9,035              |
| Deferred gains or losses on hedges                                   | (1)                     | 1                  |
| Revaluation reserve for land   | 3,972                   | 3,972              |
| Foreign currency translation adjustment                              | 19,811                  | 20,752             |
| Remeasurements of defined benefit plans                              | (1,079)                 | (1,165)            |
| <b>Total accumulated other comprehensive income</b>                  | <b>31,070</b>           | <b>32,596</b>      |
| <b>Non-controlling interests</b>                                     | <b>23,155</b>           | <b>23,252</b>      |
| <b>Total net assets</b>  | <b>436,482</b>          | <b>444,437</b>     |
| <b>Total liabilities and net assets</b>                              | <b>1,178,201</b>        | <b>1,185,061</b>   |

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

|  | Three months ended<br>May 31, 2022 | Three months ended<br>May 31, 2023 |
|--|------------------------------------|------------------------------------|
| Operating revenue  | 101,313                            | 105,557                            |
| Net sales  | 83,124                             | 85,875                             |
| Cost of sales  | 41,553                             | 40,836                             |
| Gross profit   | 41,571                             | 45,039                             |
| Other operating revenue  | 18,188                             | 19,681                             |
| Operating gross profit   | 59,759                             | 64,720                             |
| Selling, general and administrative expenses                             |                                    |                                    |
| Advertising expenses   | 2,851                              | 2,586                              |
| Provision for point card certificates                                    | (51)                               | 586                                |
| Provision of allowance for doubtful accounts                             | 141                                | 205                                |
| Remuneration, salaries and allowances for directors (and other officers) | 14,605                             | 14,752                             |
| Retirement benefit expenses  | 260                                | 217                                |
| Rent expenses on real estate   | 5,703                              | 5,653                              |
| Other  | 29,615                             | 29,680                             |
| Total selling, general and administrative expenses                       | 53,126                             | 53,682                             |
| Operating profit   | 6,632                              | 11,038                             |
| Non-operating income   |                                    |                                    |
| Interest income  | 75                                 | 543                                |
| Dividend income  | 37                                 | 42                                 |
| Subsidy income   | 84                                 | –                                  |
| Gain on adjustment of unused certificates                                | 329                                | 349                                |
| Foreign exchange gains   | 583                                | 168                                |
| Share of profit of entities accounted for using equity method            | 644                                | 685                                |
| Other  | 261                                | 235                                |
| Total non-operating income   | 2,016                              | 2,026                              |
| Non-operating expenses   |                                    |                                    |
| Interest expenses  | 1,220                              | 1,282                              |
| Other  | 128                                | 160                                |
| Total non-operating expenses   | 1,348                              | 1,443                              |
| Ordinary profit  | 7,300                              | 11,621                             |
| Extraordinary income   |                                    |                                    |
| Gain on sale of investment securities                                    | 248                                | –                                  |
| Gain on forgiveness of lease liabilities                                 | 3                                  | 32                                 |
| Total extraordinary income   | 251                                | 32                                 |
| Extraordinary losses   |                                    |                                    |
| Loss on retirement of non-current assets                                 | 412                                | 341                                |
| Impairment losses  | 467                                | –                                  |
| Loss related to COVID-19   | 4                                  | –                                  |
| Other  | 169                                | 3                                  |
| Total extraordinary losses   | 1,052                              | 344                                |

(Millions of yen)

|  | Three months ended<br>May 31, 2022 | Three months ended<br>May 31, 2023 |
|--|------------------------------------|------------------------------------|
| Profit before income taxes                       | 6,499                              | 11,309                             |
| Income taxes - current                           | 932                                | 1,201                              |
| Income taxes - deferred                          | (65)                               | 1,207                              |
| Total income taxes                               | 867                                | 2,408                              |
| Profit   | 5,632                              | 8,900                              |
| Profit attributable to non-controlling interests | 287                                | 360                                |
| Profit attributable to owners of parent          | 5,345                              | 8,540                              |

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

|  | Three months ended<br>May 31, 2022 | Three months ended<br>May 31, 2023 |
|--|------------------------------------|------------------------------------|
| Profit   | 5,632                              | 8,900                              |
| Other comprehensive income   |                                    |                                    |
| Valuation difference on available-for-sale securities                                | 120                                | 666                                |
| Deferred gains or losses on hedges   | 0                                  | 2                                  |
| Foreign currency translation adjustment  | 2,438                              | 481                                |
| Remeasurements of defined benefit plans, net of tax                                  | (95)                               | (86)                               |
| Share of other comprehensive income of entities accounted<br>for using equity method | 1,460                              | 505                                |
| Total other comprehensive income   | 3,924                              | 1,569                              |
| Comprehensive income   | 9,557                              | 10,469                             |
| Comprehensive income attributable to   |                                    |                                    |
| Comprehensive income attributable to owners of parent                                | 8,747                              | 10,066                             |
| Comprehensive income attributable to non-controlling<br>interests                    | 809                                | 403                                |

## Consolidated statements of cash flows

(Millions of yen)

|   | Three months ended<br>May 31, 2022 | Three months ended<br>May 31, 2023 |
|---|------------------------------------|------------------------------------|
| <b>Cash flows from operating activities</b>   |                                    |                                    |
| Profit before income taxes  | 6,499                              | 11,309                             |
| Depreciation  | 8,268                              | 8,465                              |
| Impairment losses   | 467                                | –                                  |
| Amortization of goodwill  | 64                                 | 70                                 |
| Increase (decrease) in allowance for doubtful accounts                                      | 107                                | 94                                 |
| Increase (decrease) in retirement benefit liability   | (723)                              | (1,033)                            |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | (49)                               | (31)                               |
| Increase (decrease) in provision for point card certificates                                | 1,630                              | 36                                 |
| Interest and dividend income  | (112)                              | (586)                              |
| Interest expenses   | 1,220                              | 1,282                              |
| Share of loss (profit) of entities accounted for using equity method                        | (644)                              | (685)                              |
| Loss on retirement of non-current assets  | 412                                | 341                                |
| Loss related to COVID-19  | 4                                  | –                                  |
| Loss (gain) on sale of investment securities  | (248)                              | –                                  |
| Decrease (increase) in trade receivables  | (17,774)                           | (893)                              |
| Decrease (increase) in inventories  | 92                                 | (1,510)                            |
| Increase (decrease) in trade payables   | 12,409                             | 4,874                              |
| Increase (decrease) in advances received  | (118,223)                          | –                                  |
| Increase (decrease) in deposits received  | 28,057                             | (202)                              |
| Increase (decrease) in accounts payable - other   | (1,329)                            | (1,766)                            |
| Increase (decrease) in contract liabilities   | 100,698                            | 238                                |
| Other, net  | (9,897)                            | (4,153)                            |
| Subtotal  | 10,930                             | 15,850                             |
| Interest and dividends received   | 1,423                              | 2,215                              |
| Interest paid   | (1,202)                            | (1,232)                            |
| Loss related to COVID-19 paid   | (0)                                | –                                  |
| Income taxes paid   | (743)                              | (1,118)                            |
| Net cash provided by (used in) operating activities   | 10,407                             | 15,715                             |
| <b>Cash flows from investing activities</b>   |                                    |                                    |
| Payments into time deposits   | (102)                              | (1,149)                            |
| Purchase of short-term and long-term investment securities                                  | (2)                                | (2)                                |
| Proceeds from sale and redemption of short-term and long-term investment securities         | 2,602                              | –                                  |
| Purchase of property, plant and equipment and intangible assets                             | (4,677)                            | (5,642)                            |
| Purchase of shares of subsidiaries and associates   | (733)                              | (258)                              |
| Net decrease (increase) in short-term loans receivable                                      | 2,797                              | (43)                               |
| Long-term loan advances   | (2,014)                            | –                                  |
| Other, net  | 483                                | 214                                |
| Net cash provided by (used in) investing activities   | (1,646)                            | (6,882)                            |



(Millions of yen)

|   | Three months ended<br>May 31, 2022 | Three months ended<br>May 31, 2023 |
|---|------------------------------------|------------------------------------|
| Cash flows from financing activities                        |                                    |                                    |
| Net increase (decrease) in short-term borrowings            | (10,000)                           | –                                  |
| Repayments of long-term borrowings                          | (40)                               | (540)                              |
| Repayments of lease liabilities                             | (2,276)                            | (2,643)                            |
| Dividends paid  | (2,000)                            | (2,208)                            |
| Other, net  | (444)                              | (420)                              |
| Net cash provided by (used in) financing activities         | (14,761)                           | (5,812)                            |
| Effect of exchange rate change on cash and cash equivalents | 2,609                              | 809                                |
| Net increase (decrease) in cash and cash equivalents        | (3,391)                            | 3,829                              |
| Cash and cash equivalents at beginning of period            | 88,996                             | 88,631                             |
| Cash and cash equivalents at end of period                  | 85,605                             | 92,460                             |

## 1. Qualitative Information about Consolidated Operating Results

### (1) Summary of Operating Results

During the cumulative consolidated first quarter under review (March 1, 2023, to May 31, 2023), the Japanese economy gradually moved towards normalization as the impact of COVID-19 subsided and in May the government downgraded COVID-19 to a Class 5 infectious disease as defined by the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases. The Nikkei stock average trended at high levels and the recovery in consumer spending, particularly the use of services, gained momentum. Inbound tourist numbers also trended upwards on an increase in flights and the restoration of certain routes, and yen depreciation as a recovery in inbound demand helped stimulate the domestic economy.

However, Japan continues to deal with a decline in real-world wages as wage increases have failed to keep up with the rising cost of living. This is causing a lack of transparency regarding the future due to factors such as the risk of a downturn in consumer spending driven by increasing consumer thrift.

In FY2022, we (Takashimaya Group) achieved operating profit targets for our 3-Year Plan, which concludes with FY2023, one year ahead of schedule. The Group is positioning FY2023 as an extremely important year for creating the management platform necessary to achieve additional sustainable growth and take our next leap forward.

Against that backdrop, the Takashimaya Group identified four management issues: 1) Making the department stores more profitable, 2) Promoting human capital management, 3) Group companies building a competitive advantage, and 4) Enhancing Group ESG into business strategies. Under the Group-wide Machi-dukuri Strategy, we will take a Group-wide approach to addressing these issues to enable sustainable growth and increase the value of the Takashimaya brand.

In the Department Store segment, the Group will continue implementing cost optimization program initiated during the previous fiscal year towards the formation of a structure for steady profit generation. To make department stores more profitable, the Group is fostering the development of human resources with curation capabilities as we adapt to post-COVID-19 consumer trends and strengthen merchandise selections to offer both the captivating appeal and quality that responds to customer needs. The Takashimaya Group is developing new strategies to attract customers to department stores, something we were unable to do during COVID-19. These strategies include highly innovative events and promotional campaigns. We will also use

digital tools to streamline and generate time that can be applied towards sales. The Takashimaya Group will improve its ability to communicate and convey product stories and make qualitative improvements in our sales capabilities as we engage in people-oriented business to make department stores more profitable.

For the other companies and businesses of the Group, we will increase our expertise and identify the strengths and distinctive traits of each business to secure market competitiveness and further increase profitability.

For Commercial Property Development segment, we will pioneer new customer layers by producing attractive, community-oriented shopping centers. These efforts include a community revitalization project for the Nagareyama-Otakanomori area in Chiba Prefecture in partnership with local government, the renewal of existing commercial facilities, and the specialty store zone integrated into Kyoto Takashimaya Shopping Center scheduled to open in October. Additionally, the Takashimaya Group is striving to further stabilize our business portfolio by increasing our share in non-commercial domains in Japan and overseas, including rental housing and offices.

In the Finance segment, strengthening cardholder enrollment is the highest priority issue for the credit card business, a revenue pillar for the Takashimaya Group, and we are working to attract new members and increase the appeal of Takashimaya Group credit cards. For the Life Partner business, which offers financial products, we will generate steady profits by developing human resources with dedicated expertise, strengthening ties to our excellent customer base, and using department store locations to expand customer contact points.

The Takashimaya Group has wide range of customer contact points, engages in transactions with numerous business partners, and is deeply tied to our communities. As an ESG strategy, the Takashimaya Group is promoting initiatives that will allow us to exert our advantage as a Group with contact points spanning a diverse array of stakeholders. Depart de Loop, our business based on a sustainable/circular business model that collects, renews, and sells unwanted clothing, sold products made from denim collected the previous year and further expanded its efforts by adding cosmetics and cosmetic containers to the scope of used items it collects. To promote decarbonization, in April of this year the Takashimaya Group adopted Japan's first short-term agreement scheme for off-site Power Purchase Agreement (PPA). Through this scheme, renewable energy generated somewhere other than on Takashimaya Group land is received directly from the operator. Starting with Yokohama Store, we will expand renewable energy supply to multiple department stores.

\* Power Purchase Agreement (PPA): A contract for purchasing electricity.

Our earnings for the cumulative consolidated first quarter under review are consolidated operating revenue of 105,557 million yen (increase of 4.2% YoY), consolidated operating profit of 11,038 million yen (increase of 66.4% YoY), consolidated ordinary profit of 11,621 million yen (increase of 59.2% YoY), and profit attributable to owners of parent of 8,540 million yen (increase of 59.8% YoY).