



# Financial Results for First Quarter of the Fiscal Year Ending February 28, 2023

---

**June 30, 2022**

Takashimaya Co., Ltd.

# Agenda

- I. Financial Results for First Quarter of FY Ending Feb 2023 (FY2022)
- II. Forecasts for FY Ending Feb 2023 (FY2022)
- III. Capital Strategy



# I **Financial Results for First Quarter of FY Ending Feb 2023 (FY2022)**

---

1. Consolidated Performance
2. Performance of Domestic Department Store Segment
3. Performance of Key Subsidiaries (Japan, overseas)

# 1. Consolidated Performance

- Total operating revenue rebounded significantly from last year's pandemic slump
- SG&A expenses up, partly as a rebound from last year and partly because they take up a larger share of sales
- Operating income, ordinary income, and profit attributable to owners of parent all increased significantly

(billion JPY)	Q1 result	YOY change	Change from FY2019	Extraordinary loss (COVID-19) Rebound from Q1 FY2021	Change in accounting method
Total operating revenue	202.8	+23.0%	(9.3%)		
Operating revenue	101.3	(38.6%)	(54.7%)		(101.5)
SG&A expenses	53.1	+0.4	(10.0)	+1.8	(3.5)
Operating income	6.6	+7.4	(1.1)		+0.0
Ordinary income	7.3	+7.2	+0.2		+0.3
Profit attributable to owners of parent	5.3	+6.7	(5.3)		+0.2

\* Starting from the period under review, we have applied the standard for revenue recognition (ASBJ 30). "Total operating revenue" indicates the amount of operating revenue that would be recognized under the old standard.

## 2. Performance of Domestic Department Store Segment

- Total operating revenue rebounded significantly from last year's pandemic slump
- Cost-optimization program on track
- Operating revenue increased significantly with higher total operating revenue and progress in the cost-optimization program.

(billion JPY)	Q1 result	YOY change	Change from Q1 FY2019	Extraordinary loss (COVID-19) Rebound from FY2021	Change in accounting method
Total operating revenue	174.2	+24.6%	(8.1%)		
Operating revenue	76.2	(45.5%)	(59.8%)		(98.0)
Total sales	170.5	+25.1%	(8.2%)		
Sales	69.9	(48.8%)	(62.4%)		(100.7)
Gross margin ratio (old standard)	22.21%	+0.01	(1.52)		
Gross margin ratio	50.04%	+27.84	+26.31		
SG&A expenses	39.2	+2.0	(6.7)	+2.0	(0.3)
Operating income	2.1	+5.6	+0.2		+0.0

\* Starting from the period under review, we have applied the standard for revenue recognition (ASBJ 30). "Total operating revenue" indicates the amount of operating revenue that would be recognized under the old standard. "Total sales" indicates the amount of sales recognized under ASBJ 30.

## 2. SG&A Expenses in the Domestic Department Store Segment

- SG&A expenses up, partly as a rebound from last year and partly because they take up a larger share of sales
- ¥1.4 billion saved through cost-optimization program
- Cost-optimization program on track – expenditure down ¥6.7 billion compared to 2019

(billion JPY)	Q1 result	YOY change	Breakdown of YOY change					Change from Q1 FY2019	Old standard		
			Extraordinary loss(Covid) Rebound from Q1 FY2021	Impact of last year's closures	Variable cost	Change in accounting method	Cost optimization program		Q1 result	YOY change	Change from Q1 FY2019
Personnel related expenses	12.3	+0.0	0.7				(0.7)	(2.2)	12.3	+0.0	(2.2)
Advertising expenses	2.2	(2.5)	0.0		0.8	(3.4)	(0.0)	(5.0)	5.7	+0.9	(1.6)
G&A expenses	17.8	+3.8	0.5	0.4	0.5	2.9	(0.6)	0.9	14.8	+0.8	(2.0)
Rent and Tax expenses	6.8	+0.8	0.7			0.2	(0.1)	(0.4)	6.7	+0.6	(0.6)
Total	39.2	+2.0	2.0	0.4	1.4	(0.3)	(1.4)	(6.7)	39.5	+2.3	(6.4)

### 3. Performance of Key Subsidiaries (Domestic Group Businesses)

- Toshin Development saw revenue and income growth with rebound from pandemic slump
- Takashimaya Financial Partners posted income decrease, reflecting impact of change in standard for recognizing revenue from annual subscriptions resulted in decrease, which more than offset a rebound in revenue from the pandemic slump
- Takashimaya Space Create saw decline in revenue and income, with slow recovery from Covid slump

(billion JPY)	Q1 result			
	Operating revenue	Change from Q1 FY2021 Change from Q1 FY2019	Operating income	Change from Q1 FY2021 Change from Q1 FY2019
Toshin Development Co., Ltd.	11.0	+12.6% (1.2%)	1.7	+ 0.4 (0.3)
Takashimaya Financial Partners Co., Ltd. (TFP)	5.3	+4.4% (2.1%)	1.2	(0.1) (0.2)
Takashimaya Space Create Co., Ltd. (TSC)	4.0	(10.1%) (46.5%)	(0.5)	(0.2) (0.7)

\* FY2021 vs. FY2019 comparisons for Toshin Development Co., Ltd. include T & T Co., Ltd.; those for Takashimaya Space Create Co., Ltd. include Takashimaya Space Create Tohoku; those for Takashimaya Financial Partners Co., Ltd. include Takashimaya Credit and Takashimaya Hoken.

### 3. Performance of Key Subsidiaries (Overseas Subsidiaries [Jan–Mar])

- Subsidiaries posted revenue and income growth amid easing of Covid impact and falling yen
- Amid growing Covid impact, Shanghai Takashimaya's revenue and income decreased on local currency basis
- Takashimaya Vietnam and Siam Takashimaya saw revenue and income growth relative to same period in 2019

(billion JPY)	Q1 result			
	Operating revenue	Change from Q1 FY2021 Change from Q1 FY2019	Operating income	Change from Q1 FY2021 Change from Q1 FY2019
Takashimaya Singapore Ltd.	4.0	+34.6% (1.9%)	0.9	+ 0.6 (0.2)
Toshin Development Singapore Pte, Ltd.	2.1	+6.8% (8.1%)	0.6	+ 0.0 (0.3)
Shanghai Takashimaya Co., Ltd.	0.8	+7.0% (3.4%)	0.1	+ 0.0 + 0.1
Takashimaya Vietnam Co., Ltd.	0.6	+18.5% +29.0%	0.1	+ 0.0 + 0.1
Siam Takashimaya (Thailand) Co., Ltd.	0.4	+15.6% +9.6%	(0.2)	+ 0.0 + 0.0

Exchange rate: 1SGD=86.98JPY 1CNY=18.55JPY 1VND=0.0051JPY 1THB = 3.55JPY





# **II Forecasts for FY Ending Feb 2023 (FY2022)**

---

# 1. Consolidated Cost and Revenue Forecasts (announced on April 11)

■ No change to full-year forecasts announced on April 11

(billion JPY)	H1 forecast	YOY change	Change from Q1 FY2019	Full-year forecast	YOY change	Change from Q1 FY2019
Total operating revenue	402.7	+16.0%	(11.1%)	831.5	+9.2%	(9.5%)
Operating revenue	208.0	(40.1%)	(54.1%)	431.5	(43.3%)	(53.1%)
SG&A expenses	114.4	+4.1	(14.1)	231.8	+2.8	(28.3)
Operating income	7.0	+9.0	(6.4)	17.5	+13.4	(8.1)
Ordinary income	7.5	+8.1	(5.2)	16.0	+9.1	(7.2)
Profit attributable to owners of parent	5.5	+9.9	(6.9)	10.0	+4.6	(6.0)

\* Starting from the period under review, we have applied the standard for revenue recognition (ASBJ 30). "Total operating revenue" indicates the amount of operating revenue that would be recognized under the old standard.

# III Capital Strategy

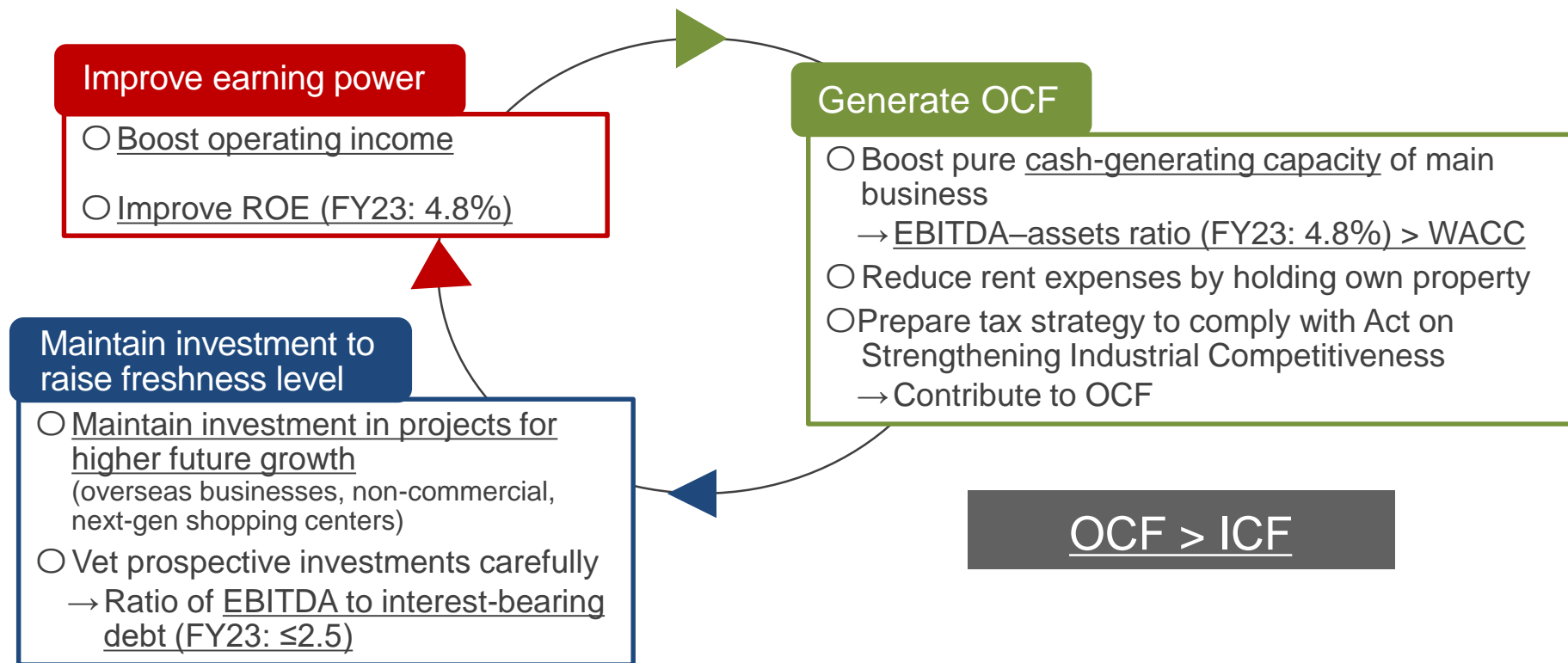
---

# 1-(1) Capital Strategy

Continue medium- to long-term investments in Machi-dukuri Strategy

- ✓ Capital expenditures in growth and safety projects to be within scope of OCF
- ✓ Need to improve ability to generate OCF, which was damaged in pandemic
- ✓ Establish positive cycle: Generate OCF, maintain investing strategy, improve earning power

## Balance goals of higher future growth with fiscal stability

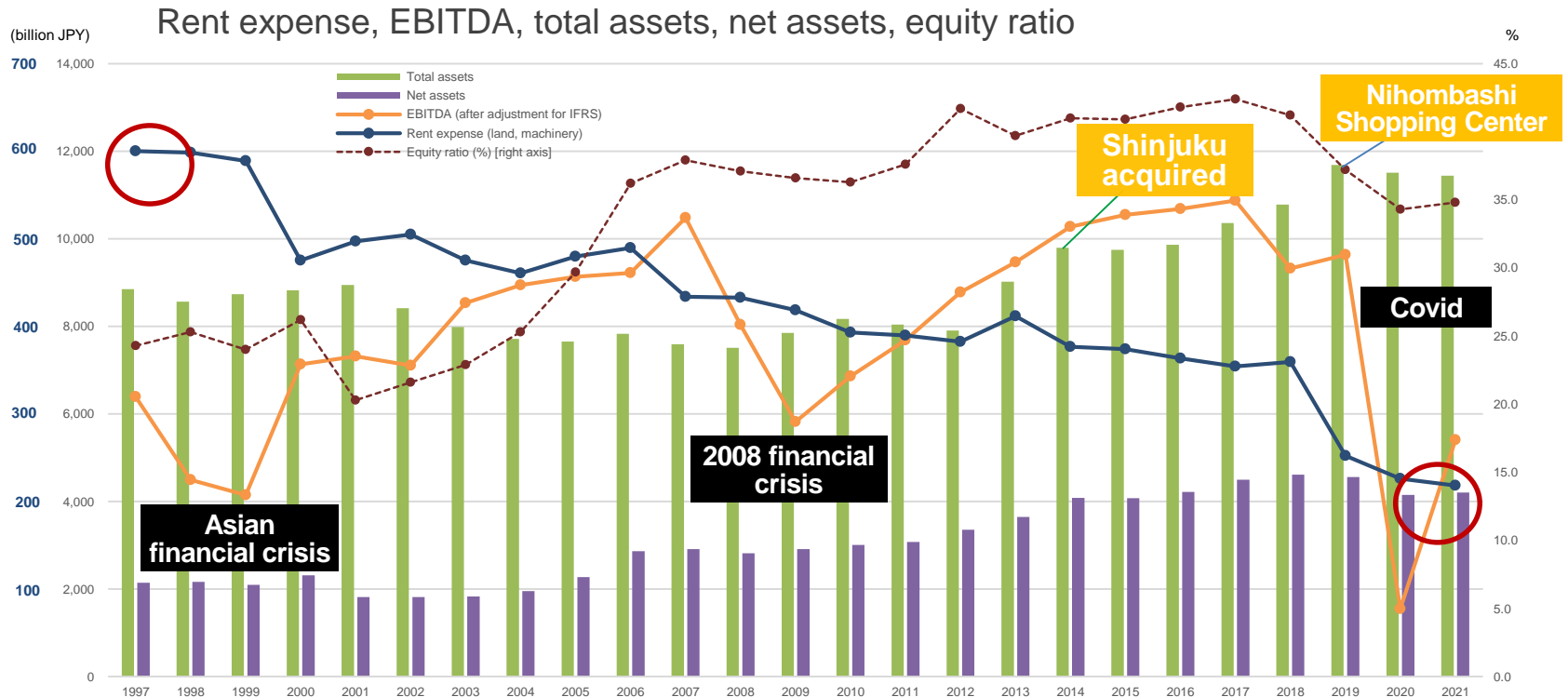


# 1-(2) Capital Strategy

## Financial outcomes of continued investment

- ✓ Operating expenses reduced with rent expenses cut to 1/3  
→ Maintained EBITDA
- ✓ Better equity ratio, meaning better financial stability

### Financial indicators over time (25 years since Shinjuku store opened)



# Reference: Operational Status of Facilities (FY2021)

## ■ Store closures

	Start of closure	Full reopening	Days closed			Start of closure	Full reopening	Days closed	
			Across year	Q1				Across year	Q1
Osaka Store	2021/4/25	2021/6/21	43	37	Tachikawa Takashimaya Shopping Center	2021/4/25	2021/6/21	43	37
Sakai Store	2021/4/25	2021/6/21	43	37	Omiya Store	-	-	-	-
Senboku Store	2021/4/25	2021/6/21	43	37	Kashiwa Takashimaya Station Mall	-	-	-	-
Kyoto Store	2021/4/25	2021/6/21	43	37	Okayama Store	2021/5/16	2021/6/1	5	5
Rakusai Store	2021/4/25	2021/6/21	43	37	Gifu Store	-	-	-	-
Nihombashi Takashimaya Shopping Center	2021/4/25	2021/6/21	43	37	Takasaki Store	-	-	-	-
Yokohama Store	-	-	-	-	Nagareyama Shopping Center	-	-	-	-
Times Square (Shinjuku)	2021/4/25	2021/6/21	43	37	Hakata Riverain	-	-	-	-
Tamagawa Takashimaya Shopping Center	2021/4/25	2021/6/21	43	37					

\*Between April 25 and May 31, some areas of the store remained open (the areas selling daily necessities).

\*Between June 1 and June 20, the store was fully open on weekdays, and at weekends, some areas of the store remained open (the areas selling daily necessities).

\*Okayama Store: Between May 15 and May 31, the store was fully open on weekdays, and at weekends, some areas of the store remained open (the areas selling daily necessities).