

**Translation**

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## Summary of Consolidated Financial Results for the Three Months Ended May 31, 2020 (Based on Japanese GAAP)

July 6, 2020

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 Yoshiyuki Nishikata TEL (03)3211-4111  
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 Scheduled date to file Quarterly Securities Report: July 14, 2020  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended May 31, 2020 (from March 1, 2020 to May 31, 2020)

#### (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, 2020	116,204	(48.0)	(7,368)	–	(8,684)	–	(20,530)	–
Three months ended May 31, 2019	223,682	1.8	7,746	(9.4)	7,117	(28.6)	10,597	81.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2020	(123.13)	–
Three months ended May 31, 2019	60.64	50.03

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of May 31, 2020	1,125,226	430,054	36.4
As of February 29, 2020	1,168,503	455,871	37.2

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 29, 2020	–	12.00	–	12.00	24.00
Year ending February 28, 2021	–				
Year ending February 28, 2021 (Forecast)		12.00	–	12.00	24.00

3. Notes

- (1) Changes in significant subsidiaries during the three months ended May 31, 2020  
 (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, 2020	177,759,481 shares	As of February 29, 2020	177,759,481 shares
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Number of treasury shares at the end of the period

As of May 31, 2020	11,026,092 shares	As of February 29, 2020	11,026,113 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2020	166,733,348 shares	Three months ended May 31, 2019	174,733,572 shares
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## Qualitative Information about Consolidated Operating Results

During the first quarter (March 1, 2020 to May 31, 2020), Japan's economy was severely hit by COVID-19. Consumer spending crashed after Japan declared a state of emergency and urged businesses to close and people to stay at home. Moreover, with a global demand slump, poor corporate performance became inevitable. With no end to the crisis in sight, the economic outlook for Japan and the world remains shrouded, and fears abound that the business impact will be long-lasting.

Against this backdrop, we sought to proceed with two strategic tasks for this year intended to grow our businesses: 1) expand the Machi-dukuri Strategy, our general group-wide strategy, and 2) proceed with a bold group-wide program of cost optimization. However, COVID-19 disrupted these efforts: To comply with anti-infection efforts, our stores in Japan and overseas had to close or operate with reduced hours, resulting in a year-on-year decline in footfall and takings.

Regarding our response to COVID-19, following temporary store closures, we gradually reopened the stores, starting with the food floors and then moving to the provision of daily necessities. In this way, we sought to maintain consumer lifelines, retain staff (and help our trading partners retain theirs), and ensure business continuity. To protect staff from the risk of infection, as well as to increase productivity, we organized a work-from-home program for around 1,000 members of staff employed at the group's head office and elsewhere. As part of this program, we used videoconferencing to reduce commuting time and business travel costs. We will continue the digitally driven process of transforming our organizational culture and work practices.

In addition to the above, we undertook sustainability initiatives with both short-term and long-term perspectives. In April, we took action to eliminate plastic waste by charging a fee for grocery bags and switching to bags made of more eco-friendly material. From April to June, we ran a crowdfunding campaign on our website to raise funds for healthcare workers at the frontlines of the fight against COVID-19. We will continue our contribution to addressing societal challenges in partnership with government and our trading partners.

Our consolidated performance was as follows: Total consolidated operating revenue for Takashimaya Group was 116,204 million yen (down 48.0% compared with the corresponding period of the previous fiscal year). We recorded a consolidated operating

loss of 7,368 million yen (compared to a positive income of 7,746 million yen in the corresponding period of the previous fiscal year), a consolidated ordinary loss of 8,684 million yen (compared to a positive income of 7,117 million yen in the corresponding period of the previous fiscal year), and a consolidated loss attributable to owners of parent of 20,530 million yen (compared to a profit of 10,597 million yen in the corresponding period of the previous fiscal year).

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

(Millions of yen)

	As of February 29, 2020	As of May 31, 2020
Assets		
Current assets		
Cash and deposits	89,820	94,536
Notes and accounts receivable - trade	115,919	86,315
Merchandise and finished goods	44,374	45,893
Work in process	323	334
Raw materials and supplies	1,276	1,197
Other	36,704	29,002
Allowance for doubtful accounts	(655)	(745)
Total current assets	287,764	256,535
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	193,471	191,883
Land	412,051	411,947
Leased assets, net	2,876	3,064
Right of use assets, net	88,429	81,665
Other, net	18,974	20,008
Total property, plant and equipment	715,804	708,569
Intangible assets		
Leasehold interests in land	10,567	10,416
Goodwill	2,769	2,689
Right of use assets	5,193	5,033
Other	19,409	18,880
Total intangible assets	37,939	37,019
Investments and other assets		
Investment securities	76,598	75,420
Guarantee deposits	27,733	27,339
Other	24,969	22,806
Allowance for doubtful accounts	(2,305)	(2,463)
Total investments and other assets	126,995	123,102
Total non-current assets	880,739	868,691
Total assets	1,168,503	1,125,226

(Millions of yen)

	As of February 29, 2020	As of May 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	102,626	51,518
Short-term borrowings	42,185	78,200
Current portion of bonds	25,118	25,086
Lease obligations	7,733	7,446
Income taxes payable	5,076	4,817
Advances received	101,717	109,025
Gift certificates	53,037	52,834
Provision for point card certificates	2,796	2,590
Allowance for loss on repair construction of building	74	74
Other	57,548	47,367
<b>Total current liabilities</b>	<b>397,915</b>	<b>378,961</b>
<b>Non-current liabilities</b>		
Bonds payable	70,394	70,387
Long-term borrowings	55,344	63,447
Lease obligations	88,102	82,031
Asset retirement obligations	3,524	3,414
Retirement benefit liability	56,137	55,541
Provision for retirement benefits for directors (and other officers)	276	277
Provision for environmental measures	258	258
Allowance for loss on repair construction of building	3,516	3,516
Other	37,162	37,336
<b>Total non-current liabilities</b>	<b>314,717</b>	<b>316,209</b>
<b>Total liabilities</b>	<b>712,632</b>	<b>695,171</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	66,025	66,025
Capital surplus	55,026	54,990
Retained earnings	308,397	285,566
Treasury shares	(15,993)	(15,993)
<b>Total shareholders' equity</b>	<b>413,456</b>	<b>390,588</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	5,990	6,905
Deferred gains or losses on hedges	(0)	0
Revaluation reserve for land	5,926	5,926
Foreign currency translation adjustment	8,948	5,474
Remeasurements of defined benefit plans	381	310
<b>Total accumulated other comprehensive income</b>	<b>21,247</b>	<b>18,618</b>
<b>Non-controlling interests</b>	<b>21,168</b>	<b>20,847</b>
<b>Total net assets</b>	<b>455,871</b>	<b>430,054</b>
<b>Total liabilities and net assets</b>	<b>1,168,503</b>	<b>1,125,226</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended May 31, 2019	Three months ended May 31, 2020
Operating revenue	223,682	116,204
Net sales	205,744	102,159
Cost of sales	152,780	77,937
Gross profit	52,963	24,221
Other operating revenue	17,937	14,044
Operating gross profit	70,901	38,266
Selling, general and administrative expenses		
Advertising expenses	7,349	3,601
Provision for point card certificates	724	493
Provision of allowance for doubtful accounts	288	343
Remuneration, salaries and allowances for directors (and other officers)	17,055	11,895
Retirement benefit expenses	373	489
Rent expenses on real estate	6,106	3,676
Other	31,257	25,135
Total selling, general and administrative expenses	63,154	45,635
Operating profit (loss)	7,746	(7,368)
Non-operating income		
Interest income	294	479
Dividend income	240	63
Share of profit of entities accounted for using equity method	821	–
Foreign exchange gains	85	–
Other	166	389
Total non-operating income	1,608	931
Non-operating expenses		
Interest expenses	1,412	1,427
Provision for loss on repair construction of building	643	–
Foreign exchange losses	–	365
Share of loss of entities accounted for using equity method	–	287
Other	182	168
Total non-operating expenses	2,238	2,248
Ordinary profit (loss)	7,117	(8,684)
Extraordinary income		
Gain on sales of non-current assets	9,677	–
Other	14	–
Total extraordinary income	9,692	–
Extraordinary losses		
Loss on retirement of non-current assets	1,138	460
Loss related to COVID-19	–	8,585
Other	5	718
Total extraordinary losses	1,144	9,764
Profit (loss) before income taxes	15,665	(18,449)
Income taxes - current	2,774	1,013
Income taxes - deferred	2,163	973
Total income taxes	4,937	1,987
Profit (loss)	10,727	(20,436)
Profit attributable to non-controlling interests	130	94
Profit (loss) attributable to owners of parent	10,597	(20,530)

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

(Millions of yen)

	Three months ended May 31, 2019	Three months ended May 31, 2020
Profit (loss)	10,727	(20,436)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,861)	978
Deferred gains or losses on hedges	(2)	0
Foreign currency translation adjustment	500	(2,712)
Remeasurements of defined benefit plans, net of tax	(191)	(73)
Share of other comprehensive income of entities accounted for using equity method	82	(1,150)
Total other comprehensive income	(2,471)	(2,957)
Comprehensive income	8,255	(23,393)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,048	(23,159)
Comprehensive income attributable to non-controlling interests	207	(234)

## Consolidated statements of cash flows

(Millions of yen)

	Three months ended May 31, 2019	Three months ended May 31, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	15,665	(18,449)
Depreciation	7,778	6,299
Amortization of goodwill	53	38
Increase (decrease) in allowance for doubtful accounts	(24)	253
Increase (decrease) in retirement benefit liability	(682)	(700)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(43)	0
Increase (decrease) in provision for point card certificates	91	(204)
Increase(decrease) allowance for loss on repair construction of building	391	-
Interest and dividend income	(535)	(542)
Interest expenses	1,412	1,427
Share of loss (profit) of entities accounted for using equity method	(821)	287
Loss (gain) on sales of non-current assets	(9,677)	-
Loss on retirement of non-current assets	495	148
Loss related to COVID-19	-	8,585
Decrease (increase) in trade receivables	(15,643)	29,071
Decrease (increase) in inventories	(1,984)	(2,145)
Increase (decrease) in trade payables	5,648	(50,552)
Other, net	1,323	11,146
Subtotal	3,446	(15,337)
Interest and dividends received	1,740	1,216
Interest paid	(1,353)	(1,403)
Loss related to COVID-19 paid	-	(6,854)
Income taxes paid	(3,115)	(1,539)
Net cash provided by (used in) operating activities	717	(23,918)
Cash flows from investing activities		
Payments into time deposits	(37)	-
Proceeds from withdrawal of time deposits	802	-
Purchase of short-term and long-term investment securities	(21)	(2)
Proceeds from sales and redemption of short-term and long-term investment securities	592	-
Purchase of property, plant and equipment and intangible assets	(14,284)	(7,243)
Proceeds from sales of property, plant and equipment and intangible assets	11,629	0
Proceeds from withdrawal of investment securities	4,003	-
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(638)
Other, net	1	(55)
Net cash provided by (used in) investing activities	2,686	(7,939)

(Millions of yen)

	Three months ended May 31, 2019	Three months ended May 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	34,000
Proceeds from long-term borrowings	5,000	20,168
Repayments of long-term borrowings	(5,005)	(10,045)
Repayments of lease obligations	(2,235)	(2,209)
Dividends paid	(2,096)	(2,000)
Other, net	(375)	(372)
Net cash provided by (used in) financing activities	(4,712)	39,540
Effect of exchange rate change on cash and cash equivalents	640	(2,887)
Net increase (decrease) in cash and cash equivalents	(667)	4,795
Cash and cash equivalents at beginning of period	94,692	88,411
Cash and cash equivalents at end of period	94,024	93,206