

Financial Results for the Third Quarter of the Fiscal Year Ending February 29, 2024 (FY2023)

December 25, 2023

Takashimaya Co., Ltd.

Agenda

- I. Financial Results for Q3 of FY Ending Feb 2024 (FY2023)
- II. Forecasts for FY Ending Feb 2024 (FY2023)



Financial Results for Q3 of FY Ending Feb 2024 (FY2023)

1. Key Points of Q3 Performance
2. Consolidated Performance
3. Performance of Domestic Department Store Segment
4. Performance of Key Subsidiaries (Domestic)
5. Performance of Key Subsidiaries (Overseas)

1. Key Points of Q3 Performance

- On a **consolidated basis, all profit categories outperformed previous year and the assumptions compared to October targets, resulting in record highs.**

- **Domestic department stores recorded a significant increase in operating profit.** In addition to growth in net sales from domestic customers and inbound travelers, trends of gross margin ratio improvement and cost-optimization program benefits continued.
- **Group companies also recorded increased revenue and profit.**
In Japan, Toshin Development Co., Ltd., overseas, the two companies in Singapore drove performance.

2. Consolidated Performance

- ✓ Total operating revenue was firm in Japan and overseas, reaching a level that outperformed 2019
- ✓ SG&A to total operating revenue ratio improved by controlling increases in SG&A expenses
- ✓ Profit categories outperformed assumptions compared to October targets, resulting in record highs

| (billion JPY) | Q3 | | | H1 | | | Q3 | | |
|---|---------------------------|---------------|--------------------------|-------------|---------------|--------------------------|-------------|---------------|--------------------------|
| | cumulative (Mar.-Nov.) | YoY Change | Change from FY2019 | (Mar.-Aug.) | YoY Change | Change from FY2019 | (Sep.-Nov.) | YoY Change | Change from FY2019 |
| Total operating revenue | 682.4 | +7.9% | +0.8% | 447.6 | +8.3% | (1.2%) | 234.7 | +7.3% | +5.0% |
| Operating revenue | 334.2 | +5.2% | (50.6%) | 221.2 | +5.8% | (51.2%) | 113.0 | +3.9% | (49.4%) |
| SG&A expenses | 169.8 | +3.7 | (22.4) | 112.8 | +2.6 | (15.7) | 57.0 | +1.1 | (6.7) |
| SG&A to total operating revenue ratio | 24.9% | (1.4) | (3.5) | 25.2% | (1.5) | (3.2) | 24.3% | (1.3) | (4.2) |
| Operating profit | 33.2 | +10.4 | +12.9 | 20.8 | +8.0 | +7.4 | 12.4 | +2.4 | +5.6 |
| Ordinary profit | 35.8 | +11.4 | +16.4 | 22.2 | +7.6 | +9.5 | 13.6 | +3.8 | +6.9 |
| Profit attributable to owners of parent | 24.3 | +1.3 | +7.8 | 15.0 | +1.4 | +2.6 | 9.3 | (0.1) | +5.2 |

* We apply the Accounting Standard for Revenue Recognition from FY2022. As such, operating revenue based on recording methods applied through FY2021 are indicated as total operating revenue.

3-1. Performance of Domestic Department Store Segment

- ✓ Total operating revenue increased thanks to increased sales among domestic customers and inbound travelers, exceeding 2019
- ✓ Maintained SG&A expenses to levels largely unchanged from previous FY through the continued promoting of the cost-optimization program
- ✓ Operating profit increased significantly, which greatly contributed to consolidated performance

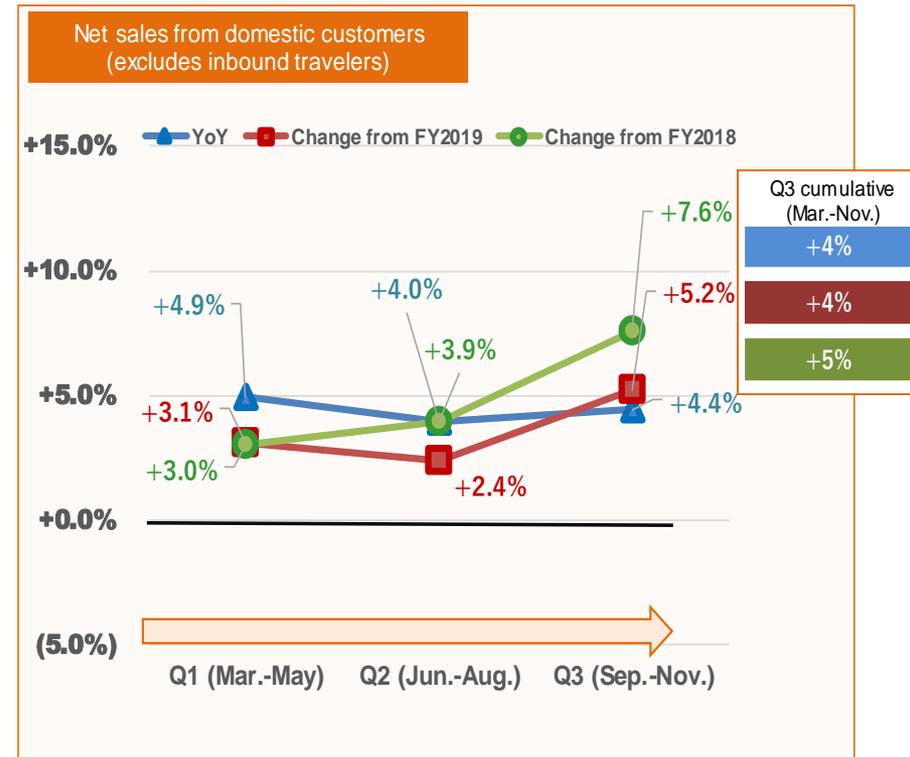
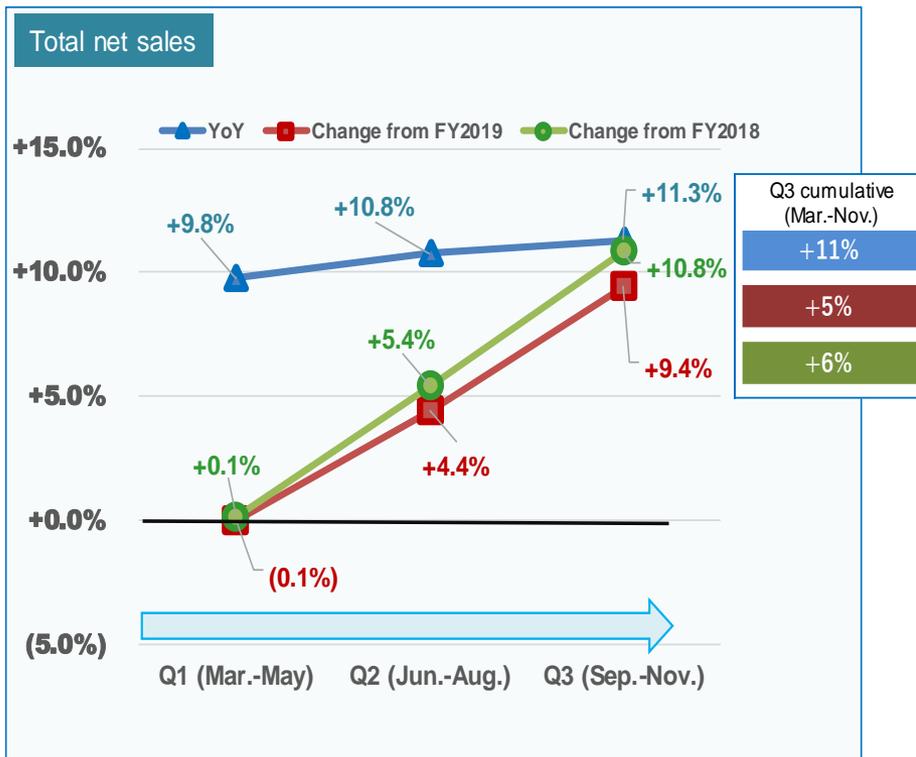
| (billion JPY) | Q3 cumulative (Mar.-Nov.) | | | H1 (Mar.-Aug.) | | | Q3 (Sep.-Nov.) | | |
|---------------------------------------|---------------------------|--------------------|------------|--------------------|------------|--------------------|----------------|---------|---------|
| | YoY Change | Change from FY2019 | YoY Change | Change from FY2019 | YoY Change | Change from FY2019 | | | |
| Total operating revenue | 576.7 | +6.7% | +0.9% | 377.0 | +6.6% | (1.3%) | 199.7 | +6.9% | +5.4% |
| Total sales | 565.5 | +6.8% | +0.9% | 369.6 | +6.7% | (1.4%) | 195.9 | +6.9% | +5.4% |
| Gross margin ratio (% of total sales) | 22.29% | (0.13) | (1.50) | 22.28% | (0.06) | (1.47) | 22.31% | (0.26) | (1.57) |
| (Department stores In-store) | (22.63%) | (+0.16) | (-1.59) | (22.64%) | (+0.20) | (-1.59) | (22.60%) | (+0.06) | (-1.58) |
| SG&A | 123.2 | +0.4 | (16.8) | 82.0 | +0.0 | (11.6) | 41.3 | +0.4 | (5.2) |
| SG&A to total operating revenue ratio | 21.4% | (1.4) | (3.1) | 21.7% | (1.4) | (2.7) | 20.7% | (1.2) | (3.9) |
| Operating profit | 13.9 | +6.1 | +9.6 | 7.7 | +4.2 | +4.9 | 6.2 | +1.9 | +4.7 |

* We apply the Accounting Standard for Revenue Recognition from FY2022. As such, operating revenue and sales based on recording methods applied through FY2021 are indicated as total operating revenue and total sales, respectively.

3-2. Domestic Department Stores (In-Store): Sales Trends

- ✓ Total net sales resulted in double-digit growth YoY and outperforming 2019 and 2018
- ✓ Net sales to domestic customers were firm, with Q3 cumulative results outperforming each FY
- ✓ Firm trend of gradual growth, especially compared to 2018, which was prior to both COVID-19 and the consumption tax rate hike

○ **Total net sales and net sales to domestic customers trends** *Compared to previous year, FY2019 and FY2018 (existing stores)



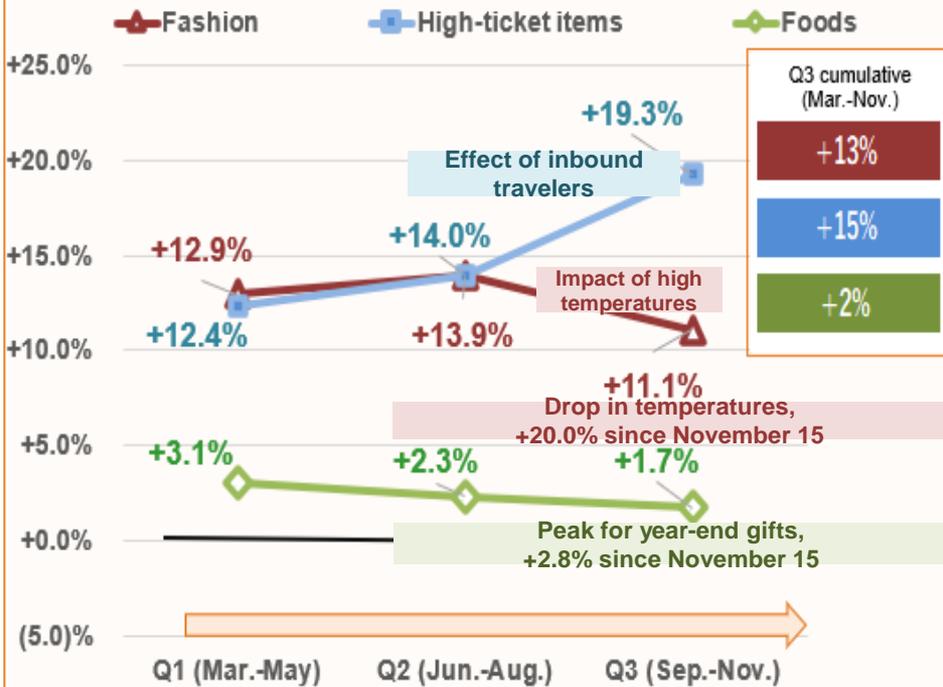
3-3. Domestic Department Stores (In-Store): Trends in net sales by product and gross margin ratio

- ✓ Double-digit growth for fashion despite impact of high temperatures, with growth rate expanding as temperatures drop
- ✓ Growth rate for high-ticket items exceeding fashion as well as continued improvement in gross margin ratio
- ✓ Advanced initiatives to improve gross margin ratio such as increasing net sales from retail priced products

○Product-specific sales trends *YoY comparison

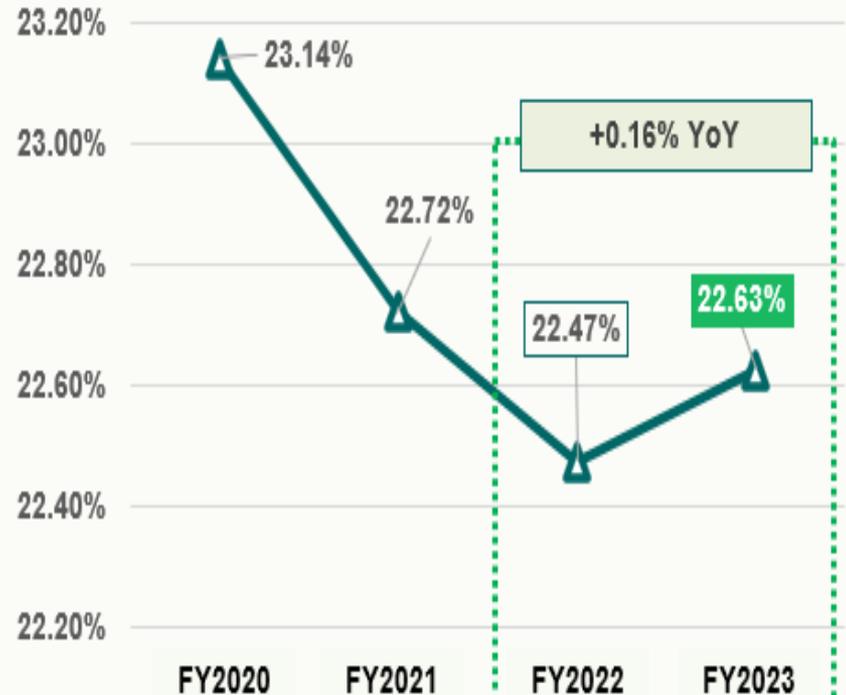
○Gross margin ratio trends (Q3 cumulative Mar.-Nov.)

Total net sales



Gross margin ratio

◆ Q3 cumulative (Mar.-Nov.)



3-4. Domestic Department Stores: SG&A

- ✓ Increased by ¥3.7bn YoY on investments towards increasing base pay and making the department stores more profitable, including by adding new events
- ✓ Steadily implemented cost-optimization program to achieve reductions of ¥3.3bn from the previous year
- ✓ Kept to a slight increase, a total of ¥0.4bn, SG&A to total operating revenue ratio improved

| (billion JPY) | Q3 cumulative (Mar.-Nov.) | | Breakdown of YoY Change | | | | Q3 (Sep.-Nov.) | | Breakdown of YoY Change | | | |
|---------------------------------------|---------------------------|-------------|--|--|---|---------------------------|----------------|-------------|--|--|---|---------------------------|
| | YoY Change | YoY Change | Increase in variable costs | Increased costs (heating and lighting expenses pay raises) | Measures for making department stores more profitable | Cost-optimization program | YoY Change | YoY Change | Increase in variable costs | Increased costs (heating and lighting expenses pay raises) | Measures for making department stores more profitable | Cost-optimization program |
| Personnel related expenses | 37.5 | (0.4) | | 0.8 | | (1.1) | 12.7 | (0.1) | | 0.3 | | (0.3) |
| Advertising expenses | 8.1 | +1.2 | 0.3 | | 0.9 | 0.0 | 3.3 | +0.5 | 0.1 | | 0.5 | 0.0 |
| G&A expenses | 56.8 | (0.1) | 0.9 | 0.2 | 0.6 | (1.9) | 18.9 | +0.1 | 0.4 | | 0.4 | (0.7) |
| Accounting related expenses | 20.8 | (0.3) | | | | (0.3) | 6.4 | (0.2) | | | | (0.2) |
| Total | 123.2 | +0.4 | 1.2 | 1.0 | 1.5 | (3.3) | 41.3 | +0.4 | 0.5 | 0.3 | 0.8 | (1.2) |
| SG&A to total operating revenue ratio | 21.4% | (1.4) | Increased by 3.7 (-3.1 *Change from FY2019) | | | | 20.7% | (1.2) | Increased by 1.6 (-3.9 *Change from FY2019) | | | |

* We apply the Accounting Standard for Revenue Recognition from FY2022.

4. Performance of Key Subsidiaries (Domestic)

- ✓ Toshin Development recorded increased revenue and profit thanks to increased rent revenue and efforts to rein in costs
- ✓ TFP revenues increased thanks to transaction volume growth but profit decreased slightly due to forward-looking investments
- ✓ Other group companies performed steadily, on par with assumptions

| (billion JPY) | | Q3 cumulative (Mar.-Nov.) | YoY Change | Change from FY2019 | H1 (Mar.-Aug.) | YoY change | Change from FY2019 | Q3 (Sep.-Nov.) | YoY Change | Change from FY2019 |
|--|----------------------|------------------------------|---------------|--------------------------|-------------------|---------------|--------------------------|-------------------|---------------|--------------------------|
| Toshin Development Co., Ltd. | Operating revenue | 44.6 | +31.3% | +33.3% | 32.2 | +44.2% | +44.9% | 12.4 | +6.4% | +10.3% |
| | Operating profit | 6.6 | +2.0 | +1.4 | 4.5 | +1.6 | +1.2 | 2.0 | +0.3 | +0.2 |
| Takashimaya Financial Partners Co., Ltd. (TFP) | Operating revenue | 16.1 | +1.8% | (0.1%) | 10.6 | +1.9% | +0.1% | 5.5 | +1.7% | (0.5%) |
| | Operating profit | 3.4 | (0.0) | (0.5) | 2.3 | (0.0) | (0.4) | 1.2 | (0.0) | (0.1) |
| Takashimaya Space Create Co., Ltd. (TSC) | Operating revenue | 21.1 | +30.3% | (21.2%) | 14.3 | +47.0% | (22.2%) | 6.8 | +5.1% | (18.8%) |
| | Operating profit | (0.5) | (0.0) | (1.8) | 0.1 | +0.4 | (0.6) | (0.6) | (0.5) | (1.1) |
| R.T. Corporation Co., Ltd. | Operating revenue | 9.9 | +14.0% | +11.4% | 6.6 | +14.3% | +8.3% | 3.4 | +13.5% | +18.0% |
| | Operating profit | 0.4 | +0.1 | (0.1) | 0.2 | +0.1 | (0.1) | 0.1 | +0.0 | +0.1 |
| CENTURY & Co., Ltd. | Operating revenue | 5.2 | +8.4% | (35.1%) | 3.3 | +4.3% | (37.6%) | 1.9 | +16.5% | (30.2%) |
| | Operating profit | 0.2 | +0.0 | (0.1) | 0.1 | +0.0 | (0.1) | 0.1 | +0.0 | (0.0) |
| All Takashimaya Agency Co., Ltd. | Operating revenue | 5.1 | +4.9% | (21.9%) | 3.1 | +2.4% | (25.9%) | 2.0 | +9.1% | (14.7%) |
| | Operating profit | 0.6 | (0.0) | (0.4) | 0.3 | (0.0) | (0.3) | 0.3 | +0.0 | (0.1) |
| Good Live Co., Ltd. | Operating revenue | 3.4 | +3.8% | +41.5% | 2.0 | +14.6% | +47.7% | 1.4 | (8.0%) | +33.8% |
| | Operating profit | 0.4 | (0.1) | +0.2 | 0.1 | +0.0 | +0.2 | 0.2 | (0.1) | +0.0 |

* Figures indicate a comparison with FY2019 and change from FY2019 with Toshin Development Co., Ltd. figures representing the combined total with T & T Co., Ltd., Takashimaya Space Create Co., Ltd. figures representing the combined total with Takashimaya Space Create Tohoku Co., Ltd., and Takashimaya Financial Partners Co., Ltd. figures representing the combined total for Takashimaya Credit Co., Ltd. and Takashimaya Insurance Co., Ltd.

5. Performance of Key Subsidiaries (Overseas)

- ✓ The two companies in Singapore recorded increased revenue and profit on a recovery in internal demand and inbound travelers
- ✓ Shanghai recorded increased revenues but profit decreased slightly due to a correction after recording extraordinary losses for COVID-19-related expenses during the previous year
- ✓ Vietnam recorded steady growth on increased revenues and profit. Siam losses decreased

| (billion JPY) | | | | | In local currency | | | | H1 (Jan.-Jun.) | YoY change | Change from FY2019 | Q3 (Jul.-Sep.) | | Change from FY2019 |
|--|-------------------|---------------------------------|---------------|------------------------------------|--------------------------|------------------------------------|---------------|--------------------------|-------------------|---------------|--------------------------|-------------------|--------|--------------------------|
| | | Q3 cumulative (Jan.-Sep.) | YoY Change | (impact of foreign currency) | Change from FY2019 | (impact of foreign currency) | YoY Change | Change from FY2019 | | | | YoY Change | | |
| Takashimaya Singapore Ltd. | Operating revenue | 18.0 | +22.9% | - | +49.9% | - | +10.8% | +15.3% | 11.7 | +27.7% | +43.1% | 6.2 | +14.8% | +64.5% |
| | Operating profit | 5.4 | +1.4 | (+0.5) | +2.1 | (+1.3) | - | - | 3.5 | +1.1 | +1.3 | 1.9 | +0.3 | +0.9 |
| Toshin Development Singapore Pte. Ltd. | Operating revenue | 8.0 | +18.4% | - | +21.7% | - | +6.7% | (6.4%) | 5.2 | +20.6% | +17.5% | 2.8 | +14.4% | +30.5% |
| | Operating profit | 2.5 | +0.7 | (+0.3) | +0.2 | (+0.6) | - | - | 1.6 | +0.5 | +0.1 | 0.9 | +0.2 | +0.1 |
| Shanghai Takashimaya Co., Ltd. | Operating revenue | 2.2 | +21.5% | - | (15.5%) | - | +19.9% | (31.8%) | 1.5 | +25.7% | (7.8%) | 0.7 | +13.1% | (28.7%) |
| | Operating profit | 0.0 | (0.0) | (+0.0) | (0.1) | (+0.0) | - | - | 0.1 | (0.0) | +0.1 | (0.1) | (0.0) | (0.2) |
| Takashimaya Vietnam Ltd. | Operating revenue | 2.2 | +3.3% | - | +53.9% | - | (2.1%) | +22.1% | 1.4 | +7.2% | +51.0% | 0.8 | (3.4%) | +59.8% |
| | Operating profit | 0.5 | +0.1 | (+0.0) | +0.5 | (+0.1) | - | - | 0.4 | +0.1 | +0.3 | 0.2 | +0.0 | +0.2 |
| Siam Takashimaya (Thailand) Co., Ltd. | Operating revenue | 1.9 | +31.7% | - | +57.3% | - | +21.2% | +36.6% | 1.2 | +39.9% | +61.3% | 0.6 | +18.0% | +50.0% |
| | Operating profit | (0.4) | +0.2 | (-0.0) | +0.3 | (-0.0) | - | - | (0.3) | +0.1 | +0.2 | (0.1) | +0.0 | +0.1 |

Current FY 1SGD=103.98JPY 1CNY=19.72JPY 1VND=0.0058JPY 1THB=4.02JPY
 Previous FY 1SGD=93.74JPY 1CNY=19.46JPY 1VND=0.0055JPY 1THB=3.70JPY



Forecasts for FY Ending Feb 2024 (FY2023)

1. Key Points of Full-year Forecast
2. Consolidated Forecasts
3. Forecast for Domestic Department Stores

1. Key Points of Full-year Forecast

○ On a **consolidated basis**, upward revision for all profit categories compared to October targets, with expectations that profits will reach new record highs.

○ **Upward revision** reflects firm trends in net sales from inbound travelers at domestic department stores.

○ No revisions to October targets for domestic or overseas Group companies.

2. Consolidated Forecasts

- ✓ Upward revision to total operating revenue to reflect inbound sales at domestic department stores
- ✓ Upward revision of ¥1.0bn for operating profit, ¥2.0bn for ordinary profit, and ¥0.5bn for profit attributable to owners of parent
- ✓ Targeting new record high for all profit categories

| (billion JPY) | Full-year forecast | | Change from FY2019 | Change from October 13 forecast | H1 results | | Change from FY2019 | H2 forecast | | Change from FY2019 | Change from October 13 forecast |
|---|--------------------|------------|--------------------|---------------------------------|------------|------------|--------------------|-------------|-------|--------------------|---------------------------------|
| | Full-year forecast | YoY change | | | YoY change | YoY change | | YoY change | | | |
| Total operating revenue | 949.0 | +7.6% | +3.3% | +0.5% | 447.6 | +8.3% | (1.2%) | 501.4 | +7.1% | +7.6% | +1.0% |
| Operating revenue | 467.0 | +5.3% | (49.2%) | +0.4% | 221.2 | +5.8% | (51.2%) | 245.8 | +4.9% | (47.2%) | +0.8% |
| SG&A expenses | 231.5 | +2.8 | (28.6) | +0.0 | 112.8 | +2.6 | (15.7) | 118.7 | +0.2 | (12.9) | +0.0 |
| SG&A to total operating revenue ratio | 24.4% | (1.5) | (3.9) | (0.1) | 25.2% | (1.5) | (3.2) | 23.7% | (1.6) | (4.6) | (0.2) |
| Operating profit | 45.0 | +12.5 | +19.4 | +1.0 | 20.8 | +8.0 | +7.4 | 24.2 | +4.5 | +12.0 | +1.0 |
| Ordinary profit | 47.0 | +12.5 | +23.8 | +2.0 | 22.2 | +7.6 | +9.5 | 24.8 | +4.9 | +14.3 | +2.0 |
| Profit attributable to owners of parent | 30.0 | +2.2 | +14.0 | +0.5 | 15.0 | +1.4 | +2.6 | 15.0 | +0.7 | +11.4 | +0.5 |

* We apply the Accounting Standard for Revenue Recognition from FY2022. As such, operating revenue based on recording methods applied through FY2021 are indicated as total operating revenue.

3. Forecast for Domestic Department Stores

- ✓ Upward revision of ¥5.0bn (+0.6%) for total operating revenue on inbound sales
- ✓ No revision to gross margin ratio or SG&A expenses
- ✓ Upward revision of ¥1.0bn for operating profit, with a full-year forecast of ¥18.8bn

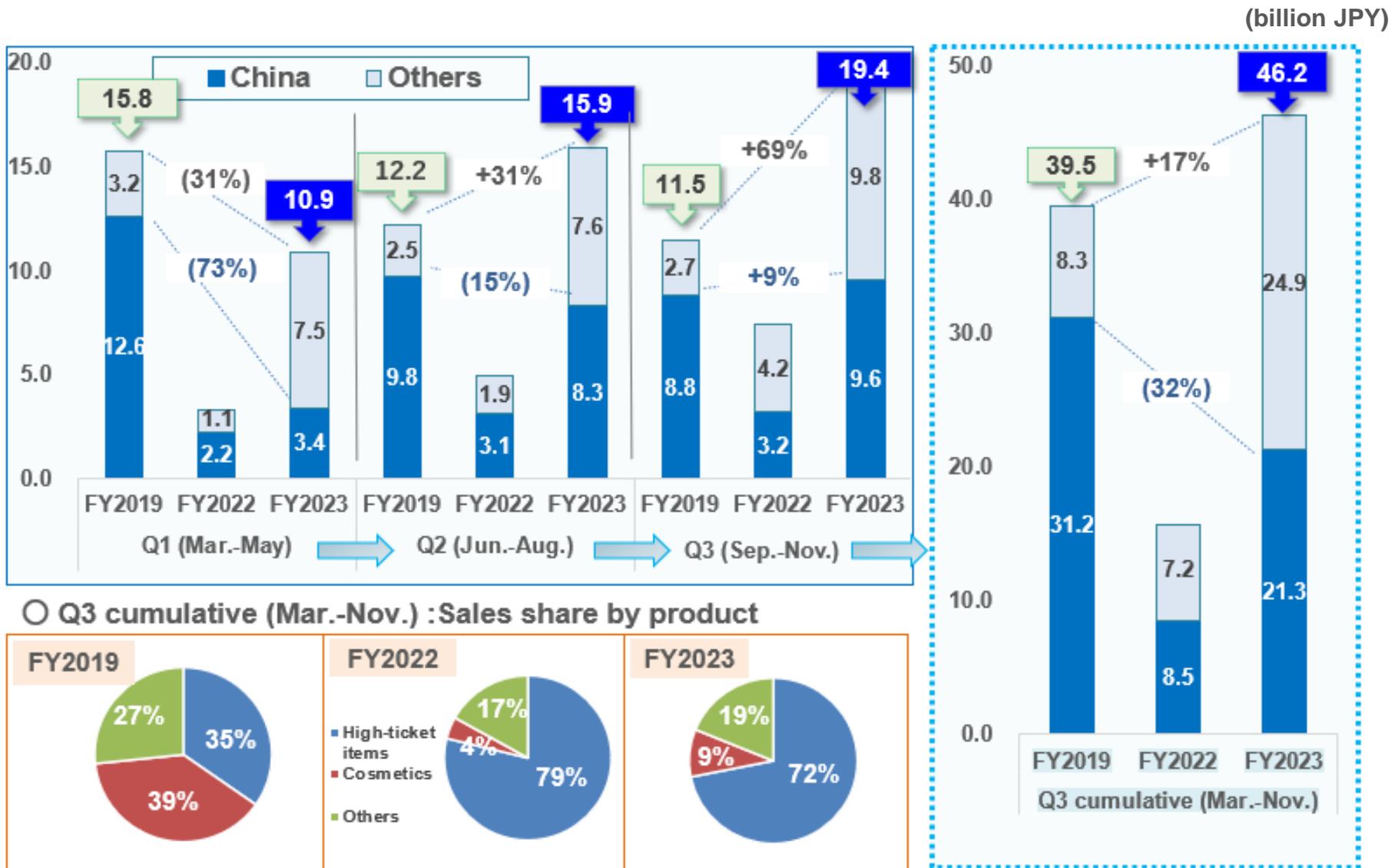
| (billion JPY) | Full-year forecast | YoY change | Change from FY2019 | Change from October 13 forecast | H1 results | YoY change | Change from FY2019 | H2 forecast | YoY change | Change from FY2019 | Change from October 13 forecast |
|---------------------------------------|--------------------|------------|--------------------|---------------------------------|------------|------------|--------------------|-------------|------------|--------------------|---------------------------------|
| Total operating revenue | 805.0 | +6.8% | +3.8% | +0.6% | 377.0 | +6.6% | (1.3%) | 428.0 | +7.0% | +8.9% | +1.2% |
| Total sales | 790.1 | +6.9% | +3.9% | +0.6% | 369.6 | +6.7% | (1.4%) | 420.5 | +7.1% | +9.1% | +1.2% |
| Gross margin ratio (% of total sales) | 22.30% | +0.01 | (1.32) | +0.00 | 22.28% | (0.06) | (1.47) | 22.32% | +0.08 | (1.18) | +0.00 |
| SG&A expenses | 172.6 | +2.4 | (17.7) | +0.0 | 82.0 | +0.0 | (11.6) | 90.6 | +2.4 | (6.1) | +0.0 |
| SG&A to total operating revenue ratio | 21.4% | (1.1) | (3.1) | (0.1) | 21.7% | (1.4) | (2.7) | 21.2% | (0.9) | (3.4) | (0.3) |
| Operating profit | 18.8 | +7.8 | +14.6 | +1.0 | 7.7 | +4.2 | +4.9 | 11.1 | +3.6 | +9.6 | +1.0 |

* We apply the Accounting Standard for Revenue Recognition from FY2022. As such, operating revenue and sales based on recording methods applied through FY2021 are indicated as total operating revenue and total sales, respectively.

Reference Materials

1. Domestic Department Stores (In-Store): Inbound Sales Results
- 2-1. Segment-specific Total Operating Revenue Results
- 2-2. Segment-specific Total Operating Revenue Forecasts

Reference 1. Domestic Department Stores (In-Store): Inbound Sales Results



Reference 2-1. Segment-specific Total Operating Revenue Results

| (billion JPY) | Q3 cumulative (Mar.-Nov.) | | H1 (Mar.-Aug.) | | Q3 (Sep.-Nov.) | |
|---|---------------------------|---------|----------------|---------|----------------|---------|
| | YoY Change | | YoY change | | YoY Change | |
| Department Store segment | 590.7 | +8.5% | 386.3 | +8.3% | 204.4 | +8.8% |
| Commercial Property Development segment | 38.4 | +9.3% | 25.1 | +10.2% | 13.3 | +7.5% |
| Finance segment | 13.0 | +1.4% | 8.6 | +0.2% | 4.4 | +3.7% |
| Construction & Design segment | 18.2 | +22.4% | 13.3 | +47.3% | 4.9 | (15.9%) |
| Others | 22.0 | (11.5%) | 14.3 | (13.2%) | 7.7 | (8.1%) |
| Consolidated Total | 682.4 | +7.9% | 447.6 | +8.3% | 234.7 | +7.3% |

* We apply the Accounting Standard for Revenue Recognition from FY2022. As such, operating revenue based on recording methods applied through FY2021 are indicated as total operating revenue.

Reference 2-2. Segment-specific Total Operating Revenue Forecasts

| (billion JPY) | | | | | | | |
|---|--------------------|-----------------------|------------|------------|------------|-------------|------------|
| | Full-year forecast | Previous year results | YoY change | H1 results | YoY change | H2 forecast | YoY change |
| Department Store segment | 813.3 | 757.6 | +7.4% | 386.3 | +8.3% | 427.0 | +6.5% |
| Commercial Property Development segment | 56.5 | 47.5 | +18.8% | 25.1 | +10.2% | 31.4 | +26.8% |
| Finance segment | 17.5 | 17.2 | +1.8% | 8.6 | +0.2% | 8.9 | +3.3% |
| Construction & Design segment | 27.9 | 22.7 | +23.0% | 13.3 | +47.3% | 14.6 | +6.9% |
| Others | 33.8 | 36.8 | (8.1%) | 14.3 | (13.2%) | 19.5 | (3.9%) |
| Consolidated Total | 949.0 | 881.8 | +7.6% | 447.6 | +8.3% | 501.4 | +7.1% |

*We apply the Accounting Standard for Revenue Recognition from FY2022. As such, operating revenue based on recording methods applied through FY2021 are indicated as total operating revenue.