

## **Takashimaya Company, Limited FY2026/Q1 Financial Results Briefing: Main Q&A**

The following is a summary of the questions and answers during the financial results briefing held on Tuesday, June 30, 2026.

### **<Consolidated Results>**

**Q: In terms of your consolidated results for Q1, your profits at every level saw significant increases and exceeded your initial expectations. Can you tell us about the extent to which net sales and operating profit outperformed your initial expectations? Can you also include the situation for each segment in your answer?**

A: Consolidated operating revenue (net sales) was approximately 3% higher and operating profit was approximately 7% higher (about 1.0 billion yen higher) than our initial expectations. Looking at results by segment, there was a significant upswing in operating profit. This was driven by net sales in the Department Stores in Japan segment exceeding expectations by approximately 4%. Results from domestic customers, who account for the majority of business, remained solid thanks to the various measures we took. In addition, the increase in business from inbound customers also contributed to results.

The results for our other segments were generally in line with our expectations. This includes the Finance segment that we have positioned as a growth driver.

### **<Department Stores in Japan>**

**Q: I recognize that the high growth rate in net sales from non-VIP domestic customers is a feature of Takashimaya. Can you tell us about the specific initiatives driving that?**

A: We are promoting initiatives based on the twin pillars of strengthening our customer base and strengthening our product appeal.

To strengthen our customer base, we, for example, revamped the Takashimaya app in June last year to create new contact points with customers. With the number of app members steadily increasing, we plan to launch a digital points service to further enhance the convenience of the app in September.

To strengthen our product appeal, in addition to expanding our merchandise in collaboration with key business partners, we are simultaneously promoting initiatives that will help to enhance the appeal of our brick-and-mortar stores. For instance, we are holding cultural events unique to department stores.

As a result of these initiatives, net sales from non-VIP customers have remained strong. Going forward, we will continue to collaborate with alliance partners (such as DOCOMO) and strengthen our merchandise based on customer needs with the aim of further increasing net sales.

**Q: Net sales from VIP customers also remain solid. Nevertheless, can you share how you view risks and the sustainability of growth going forward?**

A: Uncertainties remain in the external environment. These include geopolitical risks. Nonetheless, we are steadily moving forward with initiatives aimed at sustainable growth. Specifically, we are strengthening high-ticket items and other merchandise and expanding the services we provide, including in the Finance segment. In addition, we are also pursuing efforts such as a new collaboration with NTT DOCOMO BUSINESS aimed at acquiring new

customers. Through these initiatives, we want to further strengthen our VIP customer base and increase net sales to thereby enhance the sustainability of growth.

**Q: Your net sales from inbound customers are trending above expectations. Against this background, assuming there are no major changes in the external environment (such as the exchange rate) in the future, is it reasonable to assume you will exceed the full-year forecast (84.5 billion yen)?**

A: We have kept our full-year forecast as it is (84.5 billion yen) at the current time in light of future risks in the external environment.

Net sales in Q1 exceeded our expectations, particularly for high-ticket items, partly as a result of ongoing depreciation of the yen. Assuming there are no significant changes in the exchange rate, there is a high probability that net sales from inbound customers will exceed our expectations.

On the other hand, there are also uncertainties, such as developments in countries and regions including China and changes in consumer behavior. Given that, we will carefully assess future trends and then present a new full-year forecast at the time of our interim financial results.

**Q: You have strived to cut costs (1.0 billion yen). This has allowed you to keep the increase in SG&A expenses from the previous year to 100 million yen. The 400-million-yen reduction in personnel-related expenses is particularly large. Can you tell us about the specific initiatives you have taken to achieve this? Can you also tell us about the scope for further cost-cutting, including other expenses?**

A: We have continued to make strategic investments aimed at promoting human capital management and strengthening sales capabilities (strengthening customer base and product appeal). Meanwhile, despite the impact of rising prices, as a result of cutting 1.0 billion yen in costs, we were able to keep the increase in overall SG&A expenses from the previous year to a minimum at 100 million yen.

The reduction in personnel-related expenses was a major factor behind this 1.0-billion-yen cut in costs. In addition to promoting an improvement in the efficiency of operations, including back-office functions, the natural attrition of personnel arising from mandatory retirement also contributed to this. We will flexibly control other expenses as well while taking into account factors such as the state of net sales in the future to help create profit.

#### <Real Estate Holdings>

**Q: You categorized assets into “core,” “semi-core,” and “non-core” in your Real Estate Holdings Policy when you announced your results for the Q4 of the previous fiscal year in April. However, I see that this initiative has progressed with this announcement. For example, you have further organized assets into “stores” and “non-stores” categories and also outlined the size of each and your future direction. Can you tell us, to the extent possible, what kind of properties are included in the “non-stores” category and the measures you will take for low-ROIC properties among assets in the “stores” category.**

A: Since announcing our Real Estate Holdings Policy in April, we have continued to evaluate and verify the real estate we hold in general while engaging in ongoing dialogue with the market. In this context, we determined that it is important to present our ideas and direction in an even more easy to understand manner. As such, we decided to reorganize our assets into the categories of “stores” and “non-stores.” Together with this, we have also decided to disclose the size of each of those.

Offices, logistics centers, and other properties are included in the “non-stores” category.

Meanwhile, we are formulating radical reform plans on the assumption we will continue to hold assets in the “stores” category for low-ROIC properties in line with the promotion of ROIC management.

We plan to once again explain the specific details of each measure and the state of progress on them when we announce our interim financial results.