

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended February 28, 2021  
(Based on Japanese GAAP)**

April 12, 2021

Company name: Takashimaya Company, Limited  
 Stock exchange listing: Tokyo  
 Stock code: 8233 URL <https://www.takashimaya.co.jp>  
 Representative: President Yoshio Murata  
 General Manager, Public and Investor  
 Inquiries: Relations Office Yoshiyuki Nishikata TEL (03)3211-4111  
 Scheduled date of ordinary general meeting of shareholders: May 25, 2021  
 Scheduled date to file Securities Report: May 27, 2021  
 Scheduled date to commence dividend payments: May 26, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 28, 2021 (from March 1, 2020 to February 28, 2021)

(1) Consolidated operating results

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	%
Year ended February 28, 2021	680,899	(25.9)	(13,496)	-	(13,637)	-	(33,970)	-
Year ended February 29, 2020	919,094	0.7	25,582	(4.0)	23,200	(25.7)	16,028	(2.5)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 28, 2021	(203.74)	-	(8.2)	(1.2)	(2.2)
Year ended February 29, 2020	93.29	76.63	3.6	2.1	3.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2021	1,150,506	415,111	34.3	2,364.96
As of February 29, 2020	1,168,503	455,871	37.2	2,607.17

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 28, 2021	43,720	(27,034)	2,303	105,320
Year ended February 29, 2020	40,608	(23,434)	(23,483)	88,411

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 29, 2020	-	12.00	-	12.00	24.00	4,049	25.7	0.9
Year ended February 28, 2021	-	12.00	-	12.00	24.00	4,001	-	1.0
Year ending February 28, 2022 (Forecast)	-	12.00	-	12.00	24.00		-	

3. Forecast of consolidated financial results for the year ending February 28, 2022 (from March 1, 2021 to February 28, 2022)

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, 2021	378,500	27.3	2,000	–	2,000	–	3,500	–	20.99
Full year	812,000	19.3	13,000	–	12,000	–	10,000	–	59.97

4. Notes

(1) Changes in significant subsidiaries during the year ended February 28, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of February 28, 2021	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 February 28, 2021	11,026,374 shares	As of February 29, 2020	11,026,113 shares
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Average number of shares during the period

Year ended February 28, 2021	166,733,259 shares	Year ended February 29, 2020	171,808,500 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021
Assets		
Current assets		
Cash and deposits	89,820	106,675
Notes and accounts receivable - trade	115,919	100,682
Securities	–	8
Merchandise and finished goods	44,374	41,843
Work in process	323	327
Raw materials and supplies	1,276	1,139
Other	36,704	33,595
Allowance for doubtful accounts	(655)	(664)
Total current assets	287,764	283,607
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	193,471	184,000
Machinery, equipment and vehicles, net	437	376
Tools, furniture and fixtures, net	15,973	13,610
Land	412,051	411,031
Leased assets, net	2,876	3,139
Construction in progress	2,564	17,095
Right of use assets, net	88,429	77,281
Total property, plant and equipment	715,804	706,535
Intangible assets		
Goodwill	2,769	2,354
Leasehold interests in land	10,567	10,070
Right of use assets	5,193	4,673
Other	19,409	19,341
Total intangible assets	37,939	36,439
Investments and other assets		
Investment securities	76,598	75,222
Guarantee deposits	27,733	26,562
Deferred tax assets	20,112	19,959
Other	4,856	4,740
Allowance for doubtful accounts	(2,305)	(2,562)
Total investments and other assets	126,995	123,923
Total non-current assets	880,739	866,899
Total assets	1,168,503	1,150,506

(Millions of yen)

	As of February 29, 2020	As of February 28, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	102,626	86,965
Short-term borrowings	42,185	28,220
Current portion of bonds payable	25,118	10,090
Commercial papers	–	10,000
Lease obligations	7,733	7,981
Income taxes payable	5,076	8,356
Advances received	101,717	112,897
Gift certificates	53,037	54,074
Deposits received	24,000	26,030
Provision for point card certificates	2,796	2,427
Provision for bonuses for directors (and other officers)	41	–
Allowance for loss on repair construction of building	74	3,661
Provision for loss on liquidation of subsidiaries and associates	966	–
Other	32,539	51,918
<b>Total current liabilities</b>	<b>397,915</b>	<b>402,625</b>
<b>Non-current liabilities</b>		
Bonds payable	70,394	60,277
Long-term borrowings	55,344	98,565
Lease obligations	88,102	78,409
Asset retirement obligations	3,524	5,028
Retirement benefit liability	56,137	53,083
Provision for retirement benefits for directors (and other officers)	276	310
Provision for environmental measures	258	241
Allowance for loss on repair construction of building	3,516	–
Deferred tax liabilities	2,905	1,650
Deferred tax liabilities for land revaluation	6,342	9,050
Other	27,914	26,153
<b>Total non-current liabilities</b>	<b>314,717</b>	<b>332,769</b>
<b>Total liabilities</b>	<b>712,632</b>	<b>735,395</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	66,025	66,025
Capital surplus	55,026	54,790
Retained earnings	308,397	270,615
Treasury shares	(15,993)	(15,993)
<b>Total shareholders' equity</b>	<b>413,456</b>	<b>375,437</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	5,990	8,873
Deferred gains or losses on hedges	(0)	1
Revaluation reserve for land	5,926	2,945
Foreign currency translation adjustment	8,948	5,969
Remeasurements of defined benefit plans	381	1,089
<b>Total accumulated other comprehensive income</b>	<b>21,247</b>	<b>18,879</b>
<b>Non-controlling interests</b>	<b>21,168</b>	<b>20,793</b>
<b>Total net assets</b>	<b>455,871</b>	<b>415,111</b>
<b>Total liabilities and net assets</b>	<b>1,168,503</b>	<b>1,150,506</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Operating revenue	919,094	680,899
Net sales	848,494	620,885
Cost of sales	633,368	471,620
Gross profit	215,125	149,265
Other operating revenue	70,599	60,013
Operating gross profit	285,725	209,278
Selling, general and administrative expenses		
Advertising expenses	26,426	17,231
Provision for point card certificates	2,796	2,427
Distribution and operational expense	32,382	30,402
Supplies expenses	3,412	2,625
Provision of allowance for doubtful accounts	1,289	1,003
Remuneration, salaries and allowances for directors (and other officers)	69,841	60,325
Retirement benefit expenses	1,628	1,960
Provision for bonuses for directors (and other officers)	41	–
Provision for retirement benefits for directors (and other officers)	60	58
Welfare expenses	14,848	13,706
Heating and lighting expenses	10,745	8,636
Commission expenses	7,600	5,903
Rent expenses on real estate	24,280	20,473
Rent expenses on machines	940	886
Depreciation	31,064	27,954
Amortization of goodwill	349	227
Other	32,432	28,951
Total selling, general and administrative expenses	260,142	222,775
Operating profit (loss)	25,582	(13,496)
Non-operating income		
Interest income	1,281	517
Dividend income	1,169	1,148
Subsidy income	–	1,629
Share of profit of entities accounted for using equity method	2,093	1,012
Other	1,186	903
Total non-operating income	5,730	5,211
Non-operating expenses		
Interest expenses	5,377	4,736
Provision for loss on repair construction of building	2,115	145
Other	621	470
Total non-operating expenses	8,113	5,351
Ordinary profit (loss)	23,200	(13,637)

(Millions of yen)

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Extraordinary income		
Gain on sales of non-current assets	18,276	–
Subsidy Income	–	3,249
Gain on forgiveness of lease obligations	–	1,680
Other	63	173
Total extraordinary income	18,339	5,104
Extraordinary losses		
Loss on retirement of non-current assets	5,432	1,868
Loss on valuation of investment securities	0	3,348
Provision for loss on liquidation of subsidiaries and associates	966	–
Impairment loss	8,980	6,846
Loss related to COVID-19	–	10,321
Other	1,202	921
Total extraordinary losses	16,582	23,306
Profit (loss) before income taxes	24,957	(31,838)
Income taxes - current	7,444	4,152
Income taxes - deferred	907	(2,869)
Total income taxes	8,351	1,282
Profit (loss)	16,606	(33,121)
Profit attributable to non-controlling interests	577	849
Profit (loss) attributable to owners of parent	16,028	(33,970)

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Profit (loss)	16,606	(33,121)
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,775)	3,415
Deferred gains or losses on hedges	(0)	1
Revaluation reserve for land	–	(2,792)
Foreign currency translation adjustment	563	(2,844)
Remeasurements of defined benefit plans, net of tax	(5,197)	701
Share of other comprehensive income of entities accounted for using equity method	(128)	(1,229)
Total other comprehensive income	(9,537)	(2,746)
Comprehensive income	7,068	(35,867)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,274	(36,148)
Comprehensive income attributable to non-controlling interests	794	280

## Consolidated statements of changes in equity

Fiscal year ended February 29, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	66,025	55,026	296,977	(6,177)	411,851
Cumulative effects of changes in accounting policies			(1,528)		(1,528)
Restated balance	66,025	55,026	295,448	(6,177)	410,322
Changes during period					
Dividends of surplus			(4,145)		(4,145)
Profit (loss) attributable to owners of parent			16,028		16,028
Purchase of treasury stock and disposal of treasury stock		0		(9,816)	(9,815)
Reversal of revaluation reserve for land			1,066		1,066
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity					–
Total changes during period	–	0	12,949	(9,816)	3,133
Balance at end of period	66,025	55,026	308,397	(15,993)	413,456

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,821	(0)	6,993	8,723	5,528	32,067	17,665	461,585
Cumulative effects of changes in accounting policies								(1,528)
Restated balance	10,821	(0)	6,993	8,723	5,528	32,067	17,665	460,056
Changes during period								
Dividends of surplus								(4,145)
Profit (loss) attributable to owners of parent								16,028
Purchase of treasury stock and disposal of treasury stock								(9,815)
Reversal of revaluation reserve for land								1,066
Change in ownership interest of parent due to transactions with non-controlling interests								–
Net changes in items other than shareholders' equity	(4,831)	(0)	(1,066)	224	(5,147)	(10,820)	3,502	(7,318)
Total changes during period	(4,831)	(0)	(1,066)	224	(5,147)	(10,820)	3,502	(4,185)
Balance at end of period	5,990	(0)	5,926	8,948	381	21,247	21,168	455,871



Fiscal year ended February 28, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	66,025	55,026	308,397	(15,993)	413,456
Cumulative effects of changes in accounting policies			–		–
Restated balance	66,025	55,026	308,397	(15,993)	413,456
Changes during period					
Dividends of surplus			(4,001)		(4,001)
Profit (loss) attributable to owners of parent			(33,970)		(33,970)
Purchase of treasury stock and disposal of treasury stock		(0)		(0)	(0)
Reversal of revaluation reserve for land			189		189
Change in ownership interest of parent due to transactions with non-controlling interests		(235)			(235)
Net changes in items other than shareholders' equity					–
Total changes during period	–	(235)	(37,782)	(0)	(38,018)
Balance at end of period	66,025	54,790	270,615	(15,993)	375,437

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,990	(0)	5,926	8,948	381	21,247	21,168	455,871
Cumulative effects of changes in accounting policies								–
Restated balance	5,990	(0)	5,926	8,948	381	21,247	21,168	455,871
Changes during period								
Dividends of surplus								(4,001)
Profit (loss) attributable to owners of parent								(33,970)
Purchase of treasury stock and disposal of treasury stock								(0)
Reversal of revaluation reserve for land								189
Change in ownership interest of parent due to transactions with non-controlling interests								(235)
Net changes in items other than shareholders' equity	2,883	1	(2,981)	(2,979)	708	(2,367)	(374)	(2,741)
Total changes during period	2,883	1	(2,981)	(2,979)	708	(2,367)	(374)	(40,759)
Balance at end of period	8,873	1	2,945	5,969	1,089	18,879	20,793	415,111

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	24,957	(31,838)
Depreciation	31,093	27,982
Impairment loss	8,980	6,846
Amortization of goodwill	257	134
Increase (decrease) in allowance for doubtful accounts	374	270
Increase (decrease) in retirement benefit liability	(2,167)	(2,049)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(9)	33
Increase (decrease) in provision for point card certificates	267	(369)
Increase(decrease) in allowance for loss on repair construction of building	377	71
Interest and dividend income	(2,451)	(1,666)
Interest expenses	5,377	4,736
Share of loss (profit) of entities accounted for using equity method	(2,093)	(1,012)
Loss (gain) on sales of non-current assets	(18,276)	–
Loss on retirement of non-current assets	2,055	629
Subsidy income	–	(3,249)
Gain on forgiveness of lease obligations	–	(1,680)
Loss related to COVID-19	–	10,321
Loss (gain) on sales of investment securities	313	234
Decrease (increase) in trade receivables	(445)	15,151
Decrease (increase) in inventories	(397)	1,998
Increase (decrease) in trade payables	(6,055)	(14,846)
Increase (decrease) in advances received	2,755	11,196
Increase (decrease) in accounts payable - other	1,998	12,571
Other, net	1,529	17,280
Subtotal	48,438	52,745
Interest and dividends received	3,592	2,442
Interest paid	(5,364)	(4,707)
Proceeds from subsidy income	–	3,249
Loss related to COVID-19 paid	–	(7,160)
Income taxes paid	(6,058)	(2,848)
Net cash provided by (used in) operating activities	40,608	43,720

(Millions of yen)

	Fiscal year ended February 29, 2020	Fiscal year ended February 28, 2021
Cash flows from investing activities		
Payments into time deposits	(312)	–
Proceeds from withdrawal of time deposits	1,335	2
Purchase of short-term and long-term investment securities	(938)	(32)
Proceeds from sales and redemption of short-term and long-term investment securities	1,605	316
Purchase of property, plant and equipment and intangible assets	(44,540)	(23,421)
Proceeds from sales of property, plant and equipment and intangible assets	20,145	–
Payments for asset retirement obligations	–	(1,847)
Purchase of shares of subsidiaries and associates	–	(2,409)
Proceeds from sales of shares of subsidiaries and associates	–	378
Proceeds from withdrawal of investment securities	4,003	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,329)	–
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	–	(638)
Other, net	597	618
Net cash provided by (used in) investing activities	(23,434)	(27,034)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,700	7,500
Proceeds from long-term borrowings	5,800	56,416
Repayments of long-term borrowings	(9,100)	(34,665)
Increase (decrease) in commercial papers	–	10,000
Redemption of bonds	(98)	(25,105)
Repayments of lease obligations	(7,471)	(7,305)
Purchase of treasury shares	(9,816)	(0)
Dividends paid	(4,145)	(4,001)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(200)
Other, net	(351)	(336)
Net cash provided by (used in) financing activities	(23,483)	2,303
Effect of exchange rate change on cash and cash equivalents	28	(2,080)
Net increase (decrease) in cash and cash equivalents	(6,281)	16,909
Cash and cash equivalents at beginning of period	94,692	88,411
Cash and cash equivalents at end of period	88,411	105,320

## Qualitative Information about Consolidated Operating Results

During the consolidated fiscal year under review, COVID-19 severely impacted the Japanese economy. In the April–June quarter, the Japanese economy experienced its greatest postwar decline in GDP. Japan then experienced two consecutive quarters of GDP growth, reflecting a global recovery. However, the economy remained far below pre-Covid levels. For the whole of 2020, GDP shrank 4.8%, marking the first annual contraction in 11 years.

After the state of emergency was lifted in May 2020, consumer spending gradually picked up with the resumption of economic activities, the government's stimulus package, and better consumer confidence. However, a full recovery in consumer spending remained elusive, especially with another state of emergency being declared in January 2021.

There are encouraging signs that the infections will be brought under control, including the fact that Japan, following after Western countries, has started rolling out a vaccination program. However, it remains unclear when the situation will be fully resolved. Companies are likely to face a prolonged impact on their earnings given the growing unease about the global economy, as well as sluggish consumer spending and business investment amid rising unemployment and falling incomes.

Against this backdrop, we proceeded 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. Amid the spread of infections, our reopened stores adopted thorough measures to safeguard the health and safety of customers and staff—our first priority. In September 2020, we expanded the online visit reservation service to cover seven stores in order to maximize customer convenience by improving digital customer engagement. Our online store saw a sizeable year-on-year increase in sales, particularly in foods and daily goods that appealed to customers who were hunkering down at home. Gift items such as midsummer and year-end gifts sold well too. Additionally, we introduced a work-from-home program for head-office staff. Furthermore, we introduced videoconferencing and other digital technology to boost productivity. However, our shopping facilities experienced a large year-on-year decline in footfall and takings. This decline occurred because shopping facilities in Japan and overseas had to temporarily close or operate with reduced hours in order to comply with anti-infection measures, and because many people continued to stay at home even after the measures were lifted.

Regarding the department store business, for some time now, we have recognized the need to restructure costs, overhaul apparel, and undergo a digital transformation to innovate business processes. COVID-19 has made the necessity of these tasks all the more clear. We also recognize that consumer lifestyles and shopping preferences have changed dramatically. Tackling these tasks is essential to rejuvenating this core business and source of our brand value; we are therefore committed to addressing these and other

challenges.

In addition to the above, we undertake sustainability initiatives with both short-term and mid- to long-term perspectives. In April 2020, we took action to eliminate plastic waste by charging a fee for grocery bags and switching to bags made of more eco-friendly material. In the year before last, we joined global initiative RE100 to signal our commitment to source 100% of our energy from renewable sources by 2050. In November 2020, we started a phased transition to renewables in Tamagawa Takashimaya Shopping Center and seven other retail facilities. 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 680,899 million yen (down 25.9% compared with the previous fiscal year). We recorded a consolidated operating loss of 13,496 million yen (compared to a positive income of 25,582 million yen in the previous fiscal year), a consolidated ordinary loss of 13,637 million yen (compared to a positive income of 23,200 million yen in the previous fiscal year), and a consolidated loss attributable to owners of parent of 33,970 million yen (compared to a profit of 16,028 million yen in the previous fiscal year).

The non-consolidated performance was as follows: Total sales were 527,579 million yen (down 25.4% compared with the previous fiscal year), an operating loss of 20,218 million yen (compared to a positive income of 3,928 million yen in the previous fiscal year), an ordinary loss of 18,055 million yen (compared to a positive income of 8,534 million yen in the previous fiscal year), and a net loss of 33,630 million yen (compared to a net profit of 9,296 million yen in the previous fiscal year).