



# Financial Results for Third Quarter of the Fiscal Year Ending February 28, 2022

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**December 24, 2021**

Takashimaya Co., Ltd.

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# 1. Consolidated Performance

- ✓ Operating revenue increased, reflecting a rebound from Covid-ravaged FY2020 and this year's reduction.
- ✓ Despite higher SG&A expenses, operating income, ordinary income, and profit attributable to owners of parent increased.

(billion JPY)	Q3 cumulative (Mar.–Nov.)	YOY change	Change from same period of FY2019	1st half (Mar. to Aug.)	YOY change	Change from same period of FY2019	Q3 (Sep. to Nov.)	YOY change	Change from same period of FY2019	Extr. loss impact Difference from FY2020
Operating revenue	<b>537.3</b>	+12.0%	(20.6%)	<b>347.2</b>	+16.8%	(23.4%)	<b>190.1</b>	+4.1%	(14.9%)	
SG&A expenses	<b>167.9</b>	+7.4	(24.3)	<b>110.3</b>	+7.1	(18.2)	<b>57.6</b>	+0.3	(6.1)	<b>+8.1</b>
Operating income	<b>(1.1)</b>	+9.4	(21.4)	<b>(2.0)</b>	+8.2	(15.4)	<b>0.9</b>	+1.2	(5.9)	(Q3 cumulative)
Ordinary income	<b>1.3</b>	+12.3	(18.1)	<b>(0.6)</b>	+10.4	(13.2)	<b>1.9</b>	+1.9	(4.8)	
Profit attributable to owners of parent	<b>(3.7)</b>	+20.7	(20.2)	<b>(4.4)</b>	+18.9	(16.8)	<b>0.7</b>	+1.8	(3.4)	

## 2. Performance of Domestic Department Store Segment

- ✓ Operating revenue increased, reflecting in part a rebound from Covid-related temporary store closures.
- ✓ Gross margin ratio continued to decrease despite strong performance in fashion and accessory selections.
- ✓ Operating income increased thanks to savings in SG&A expenses made under the cost-optimization program.

(billion JPY)	Q3 cumulative (Mar.–Nov.)	YOY change	Change from same period of FY2019	1st half (Mar. to Aug.)	YOY change	Change from same period of FY2019	Q3 (Sep. to Nov.)	YOY change	Change from same period of FY2019	Extr. loss impact Difference from FY2020
<b>Operating revenue</b>	<b>461.4</b>	+13.5%	(19.3%)	<b>296.6</b>	+19.3%	(22.4%)	<b>164.8</b>	+4.4%	(13.0%)	
<b>Sales</b>	<b>451.0</b>	+13.8%	(19.5%)	<b>289.8</b>	+19.8%	(22.7%)	<b>161.3</b>	+4.5%	(13.2%)	
<b>Gross margin ratio</b>	22.50%	(0.30)	(1.29)	22.39%	(0.28)	(1.36)	22.71%	(0.30)	(1.16)	
<b>SG&amp;A expenses</b>	<b>120.6</b>	+4.6	(19.4)	<b>78.5</b>	+4.2	(15.1)	<b>42.1</b>	+0.3	(4.4)	<b>+5.8</b>
<b>Operating income</b>	<b>(8.8)</b>	+6.8	(13.2)	<b>(6.8)</b>	+6.0	(9.6)	<b>(2.0)</b>	+0.8	(3.6)	(Q3 cumulative)

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

- ✓ In Q3 (Sep–Nov), the cost-optimization program generated savings of ¥2.2 billion.
- ✓ The cost associated with changing loyalty-point expensing\* was, at ¥1.9 billion, within expectations.

(billion JPY)	Q3 cumulative (Mar.-Nov.)	YOY change	Breakdown of YOY change							Q3 (Sep. to Nov.)	YOY change	Breakdown of YOY change		
			Extr. loss impact		Change in expense impact of store closures		Higher variable costs	LP exp. change	Cost-optimization			Higher variable costs	LP exp. change	Cost-optimization
			Rebound from FY2020	FY2021 conversion	Rebound from FY2020	FY2021 reduction								
<b>Personnel related expenses</b>	39.0	+0.3	3.2	(0.7)	0.4	(0.2)			(2.4)	13.3	(0.8)			(0.8)
<b>Advertising expenses</b>	16.2	+3.6	0.2	(0.0)	1.4	(0.8)	1.7	1.9	(0.7)	7.2	+2.0	0.4	1.9	(0.3)
<b>G&amp;A expenses</b>	45.9	(0.2)	2.2	(0.6)	1.0	(0.6)	1.2		(3.4)	15.3	(0.7)	0.3		(1.0)
<b>Rent and tax expenses</b>	19.5	+0.9	2.2	(0.7)	0.3	(0.5)			(0.4)	6.3	(0.1)			(0.1)
<b>Total</b>	120.6	+4.6	7.8	(2.0)	3.1	(2.1)	2.9	1.9	(7.0)	42.1	+0.3	0.6	1.9	(2.2)

+2.5

\* Change in expensing scheme for loyalty points:

Previously, loyalty points awarded to users of the Takashimaya credit card were recognized as advertising expenses when redeemed for vouchers. Since September, physical vouchers are no longer used; the points are now redeemed digitally. Accordingly, points unredeemed as of September 1 have been recognized as advertising expenses.

### 3. Performance of Key Subsidiaries: Domestic Group Businesses

- ✓ Toshin Development, TFP: Earnings rebounded from last year's COVID impact.
- ✓ TSC: Although COVID continued to undercut earnings, Q3 (Sep–Nov) earnings represented an increase.

(billion JPY)		Q3 cumulative (Mar.–Nov.)	YOY change	*Change from same period of FY2019	1st half (Mar. to Aug.)	YOY change	*Change from same period of FY2019	Q3 (Sep.–Nov.)	YOY change	*Change from same period of FY2019
Toshin Development Co., Ltd.	Operating revenue	<b>30.6</b>	+4.6%	(8.5%)	<b>19.9</b>	+6.3%	(10.6%)	<b>10.7</b>	+1.5%	(4.4%)
	Operating income	<b>3.9</b>	+0.2	(1.2)	<b>2.2</b>	+0.1	(1.1)	<b>1.7</b>	+0.1	(0.1)
Takashimaya Financial Partners co., Ltd. (TFP)	Operating revenue	<b>15.0</b>	+2.6%	(7.2%)	<b>9.9</b>	+4.2%	(6.9%)	<b>5.1</b>	(0.4%)	(7.7%)
	Operating income	<b>3.3</b>	+0.1	(0.6)	<b>2.2</b>	+0.1	(0.4)	<b>1.1</b>	+0.1	(0.1)
Takashimaya Space Create Co., Ltd. (TSC)	Operating revenue	<b>13.0</b>	(18.7%)	(51.5%)	<b>9.4</b>	(27.0%)	(49.0%)	<b>3.6</b>	+15.2%	(56.9%)
	Operating income	<b>(0.7)</b>	(0.1)	(1.9)	<b>(0.1)</b>	(0.0)	(0.9)	<b>(0.5)</b>	(0.1)	(1.1)

\* 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 Businesses (Jan-Sep)

- ✓ Three of the four subsidiaries (T. Vietnam being the exception) posted earnings growth for Q3 (Jul-Sep) despite the Covid impact.
- ✓ Takashimaya Vietnam posted lower revenue and income for Q3 because the store was closed through most of the quarter.
- ✓ Siam Takashimaya posted lower revenue for Q3, as the store had suspended all sales except daily necessities.

(billion JPY)		Q3 cumulative (Jan.-Sep.)	YOY change	Change from same period of FY2019	1st half (Jan. to Jun.)	YOY change	Change from same period of FY2019	Q3 (Jul. to Sep.)	YOY change	Change from same period of FY2019
Takashimaya Singapore Ltd.	Operating revenue	<b>9.0</b>	+38.0%	(24.7%)	<b>5.9</b>	+47.8%	(28.4%)	<b>3.2</b>	+22.8%	(16.6%)
	Operating income	<b>0.7</b>	(0.0)	(2.6)	<b>0.4</b>	(0.2)	(1.8)	<b>0.3</b>	+ 0.2	(0.7)
Toshin Development Singapore Pte, Ltd.	Operating revenue	<b>5.7</b>	+25.6%	(13.2%)	<b>3.8</b>	+39.6%	(15.0%)	<b>1.9</b>	+4.9%	(9.4%)
	Operating income	<b>1.5</b>	+ 0.1	(0.9)	<b>1.0</b>	+ 0.1	(0.6)	<b>0.5</b>	+ 0.0	(0.3)
Shanghai Takashimaya Co., Ltd.	Operating revenue	<b>2.3</b>	+31.0%	(12.5%)	<b>1.5</b>	+37.1%	(7.3%)	<b>0.7</b>	+20.2%	(21.5%)
	Operating income	<b>0.2</b>	+ 0.4	+ 0.1	<b>0.2</b>	+ 0.3	+ 0.1	<b>0.1</b>	+ 0.1	(0.0)
Takashimaya Vietnam Co., Ltd.	Operating revenue	<b>0.8</b>	(26.0%)	(40.1%)	<b>0.8</b>	+16.4%	(12.5%)	<b>0.0</b>	(94.2%)	(94.7%)
	Operating income	<b>(0.1)</b>	(0.2)	(0.2)	<b>0.1</b>	+0.0	+0.0	<b>(0.2)</b>	(0.2)	(0.2)
Siam Takashimaya (Thailand) Co., Ltd.	Operating revenue	<b>0.9</b>	+12.2%	(27.5%)	<b>0.7</b>	+47.5%	(15.6%)	<b>0.2</b>	(35.3%)	(49.5%)
	Operating income	<b>(0.7)</b>	+0.0	+0.0	<b>(0.5)</b>	(0.0)	(0.0)	<b>(0.2)</b>	+0.0	+0.0

1SGD=81.43JPY 1CNY=16.86JPY 1VND=0.0047JPY 1THB=3.44JPY

## 4. Consolidated Cost and Revenue Forecasts (as announced on October 14)

- ✓ Year on year increase in revenue and income forecasted in view of rebound from last year's COVID impact.
- ✓ We expect to return to profit with rebuilding of domestic department stores business and recovery in revenue base across group.
- ✓ Full-year forecasts remain as announced on October 14.

(billion JPY)	Full-year forecast	YOY change	Change from same period of FY2019	Change from initial forecast	1st half result	YOY change	2nd half forecast	YOY change
Operating revenue	764.0	+12.2%	(16.9%)	(5.9%)	347.2	+16.8%	416.8	+8.7%
SG&A expenses	230.7	+7.9	(29.5)	(8.3)	110.3	+7.1	120.3	+0.8
Operating income	6.0	+19.5	(19.6)	(7.0)	(2.0)	+8.2	8.0	+11.3
Ordinary income	6.0	+19.6	(17.2)	(6.0)	(0.6)	+10.4	6.6	+9.3
Profit attributable to owners of parent	2.3	+36.3	(13.7)	(7.7)	(4.4)	+18.9	6.7	+17.4



# Ref 1: 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	-	-	-	-
Niombashi 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).

	Start of closure	Full store reopening	Days closed		
			Q2	Q3	Q4
Takashimaya Singapore	-	-	-	-	-
Takashimaya Shopping Centre (Singapore)	-	-	-	-	-
Shanghai Takashimaya	-	-	-	-	-
Takashimaya Vietnam	2021/5/31	2021/10/8	31	92	7
Saigon Centre	2021/5/31	2021/10/8	31	92	7
Siam Takashimaya	2021/7/12	2021/8/31	-	51	-

\* Takashimaya Vietnam: From May 31, the store suspended all sales except daily necessities. The whole store was closed from July 5 to October 5. The store partly reopened on October 6.

\* Saigon Centre: From May 31 to October 3, the store suspended all sales except daily necessities. The store partly reopened on October 4.

\* Siam Takashimaya: From July 12 to August 31, the store suspended all sales except daily necessities.