2019/02

Financial Results

(FY2018)

Takashimaya

Aprial 8, 2019

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1.1 Consolidated Performance

- Operating revenue increased, particularly among domestic department stores. However, it fell short of the target due to the effects of natural disasters (e.g., typhoons).
- Operating income decreased due to anticipatory investments, and because of the decline in operating revenue, it fell short of the target.

(billion JPY)	Full year	Year-on-year		Change from projection*	
Operating revenue	912.8	5.0	0.6%	(14.2)	(1.5%)
SG&A expenses	256.7	10.7	4.4%	(0.9)	(0.4%)
Operating income	26.7	(8.7)	(24.5%)	(4.3)	(14.0%)
Ordinary income	31.2	(7.4)	(19.1%)	(3.8)	(10.8%)
Profit attributable to owners of parent	16.4	(7.2)	(30.5%)	(4.1)	(19.8%)

Note: Comparison between projected and actual figures is based on the targeted figures announced on October 12, 2018.

As of the consolidated fiscal year under review, we have changed the accounting presentation method for our overseas consolidated subsidiaries, which follow International Financial Reporting Standards. What was previously presented as gross profit margin is now presented on a net basis under "sales." The change has been retroactively applied in year-on-year comparisons.

1.2.1 Performance of the Domestic Department Store Segment

- **Operating revenue increased, buoyed by foreign tourist sales. However, it fell short of the target because of poor clothing sales (due to an unseasonably warm winter), natural disasters, and economic slowdown since year-end.**
- **Operating income decreased and fell short of the target due to a decline in gross margin ratio and an increase in SG&A expenses.**
- **Ordinary and net income increased due to subsidiary dividends. However, it fell short of the target.**

(billion JPY)	Full year	Year-on-year		Change from projection*	
Operating revenue	782.6	4.0	0.5%	(5.9)	(0.7%)
Sales	768.4	3.4	0.4%	(6.0)	(0.8%)
Gross margin ratio	23.94%	(0.12)		(0.11)	
SG&A expenses	189.6	5.5	3.0%	0.8	0.4%
Operating income	8.6	(5.0)	(36.7%)	(2.8)	(24.7%)
Ordinary income	21.2	5.2	32.9%	(2.5)	(10.6%)
Profit	10.2	1.2	12.8%	(7.1)	(41.0%)

Note: Comparison between projected and actual figures is based on the targeted figures announced on October 12, 2018.

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1.2.1 SG&A Expenses in the Domestic Department Store Segment

- Personnel related expenses exceeded last year's level after department stores took on staff from subsidiaries. However, the expenses were lighter than expected.
- Advertising expenses were heavier than last year and missed the target. The key factor was expenses associated with the opening of Nihombashi Takashimaya Shopping Center.
- General affairs expenses were heavier than last year and missed the target. The key factors were an increase in investment burden and variable sales expenses.
- Rent and tax expenses were lighter than last year. The key factor was a decrease in rent burden following Shinjuku Store's acquisition of leasehold interests.

(billion JPY)	Full year	Year-on-year		Change from projection*	
Personnel related expenses	62.6	0.7	1.2%	(0.2)	(0.4%)
Advertising expenses	26.5	0.8	3.1%	0.2	0.9%
General affairs expenses	70.8	4.5	6.8%	1.0	1.5%
Rent and tax expenses	29.7	(0.5)	(1.6%)	(0.3)	(1.0%)
Total	189.6	5.5	3.0%	0.8	0.4%

Note: Comparison between projected and actual figures is based on the targeted figures announced on October 12, 2018.

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1.2.2 Performance of Domestic Group Businesses (key subsidiaries)

- **Toshin Development's operating revenue and income both decreased and fell short of the targets. The key factor was a reactionary decline in condominium sales, which offset the boost from the opening of Nihombashi Takashimaya Shopping Center.**
- **Takashimaya Credit's operating revenue and income both increased and met the targets. The key factor was the success of its promotional campaign linked to the opening of Nihombashi Takashimaya Shopping Center.**
- **Takashimaya Space Create's operating revenue increased. However, its operating income decreased because price competition put downward pressure on margins.**

(billion JPY)	Operating revenue	Year-on-year	Change from projection*	Operating income	Year-on-year	Change from projection*
Toshin Development Co., Ltd.	43.8	(8.5) (16.2%)	(1.6) (3.6%)	7.3	(1.7) (19.1%)	(0.6) (8.0%)
Takashimaya Credit Co., Ltd.	19.2	0.7 3.8%	(0.1) (0.7%)	4.9	0.3 7.7%	0.1 2.7%
Takashimaya Space Create Co., Ltd. (including Takashimaya Space Create Tohoku)	32.2	2.4 7.9%	0.5 1.5%	0.7	(0.5) (39.7%)	(0.3) (32.2%)

Note: Comparison between projected and actual figures is based on the targeted figures announced on October 12, 2018.

1.2.3 Performance of Overseas Businesses (key subsidiaries)

- **Takashimaya Singapore's operating revenue increased. However, its operating income decreased due to a reactionary decline in rental accounts.**
- **Shanghai Takashimaya and Takashimaya Vietnam continued to improve their performance.**
- **Siam Takashimaya (which opened in November) posted an operating revenue 300 million yen. Operating income decreased but remained within target.**

(billion JPY)	Operating revenue	Year-on-year	Change from projection*	Operating income	Year-on-year	Change from projection*
Takashimaya Singapore Ltd.	**18.1**	0.7 4.0%	(0.5) (2.5%)	**3.2**	(0.42) (11.5%)	(0.05) (1.4%)
Toshin Development Singapore Pet, Ltd.	**8.9**	(0.1) (0.7%)	(0.2) (1.7%)	**2.2**	(0.29) (11.7%)	(0.15) (6.2%)
Shanghai Takashimaya Co., Ltd.	**3.2**	0 0.7%	(0.4) (12.2%)	**(0.9)**	0.27 -	(0.04) -
Takashimaya Vietnam Co., Ltd.	**1.8**	0.3 18.8%	0 2.3%	**(0.1)**	0.16 -	0.07 -
Siam Takashimaya (Thailand) Co., Ltd.	**0.3**	0.3 -	(0.4) (58.4%)	**(0.5)**	(0.5) -	0.02 -

Exchange rate: 1SGD=81.72JPY 1CNY=16.64JPY 1VND=0.0047JPY 1THB=3.41JPY

Note: Comparison between projected and actual figures is based on the targeted figures announced on October 12, 2018.
The above figures for operating revenue are based on International Financial Reporting Standards, which apply to our overseas consolidated subsidiaries as of FY ending February, 2019.

As of the consolidated fiscal year under review, we have changed the accounting presentation method for our overseas consolidated subsidiaries, which follow International Financial Reporting Standards. What was previously presented as gross profit margin is now presented on a net basis under "sales." The change has been retroactively applied in year-on-year comparisons.

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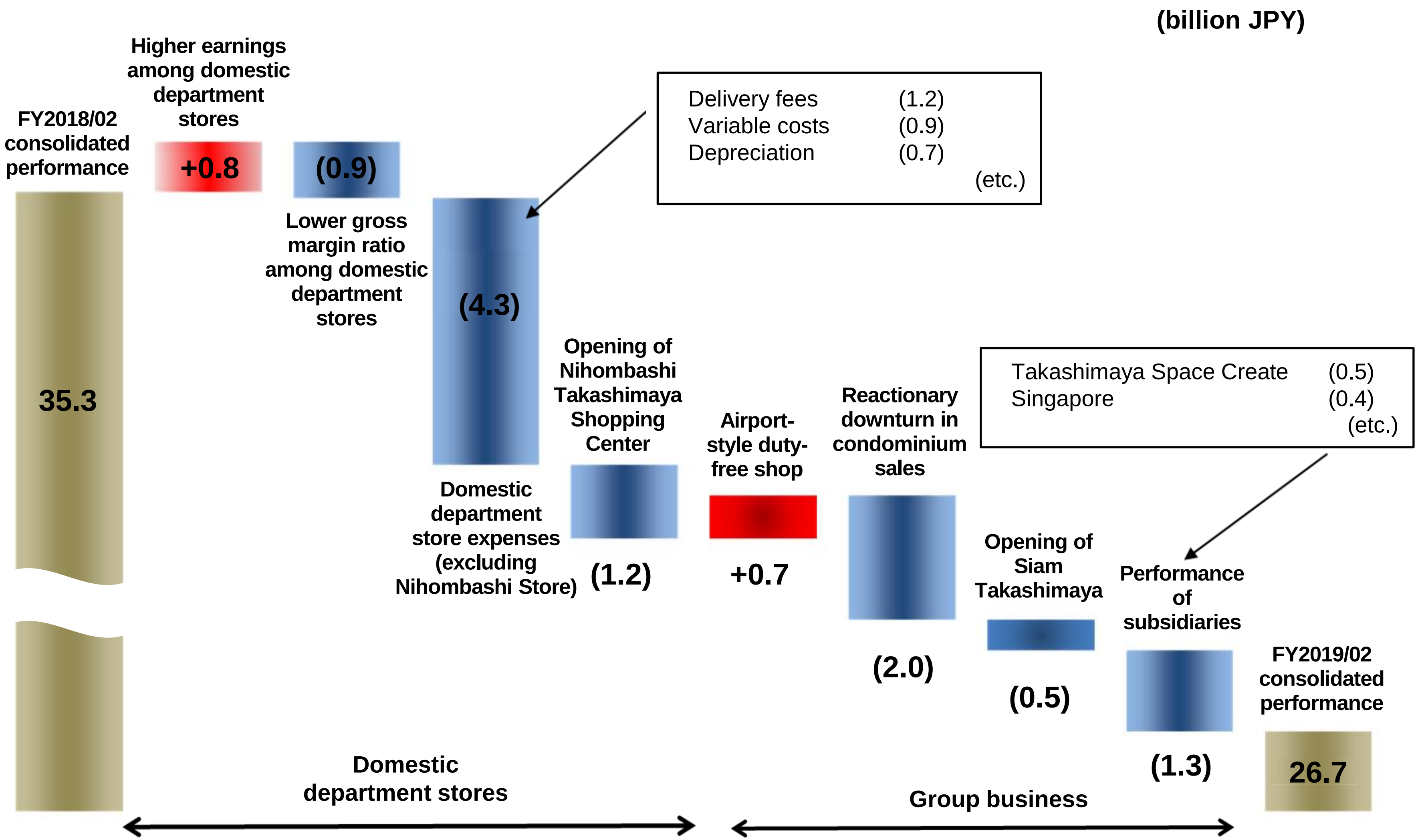
1.3 Factors Contributing to Changes in Consolidated Operating Income

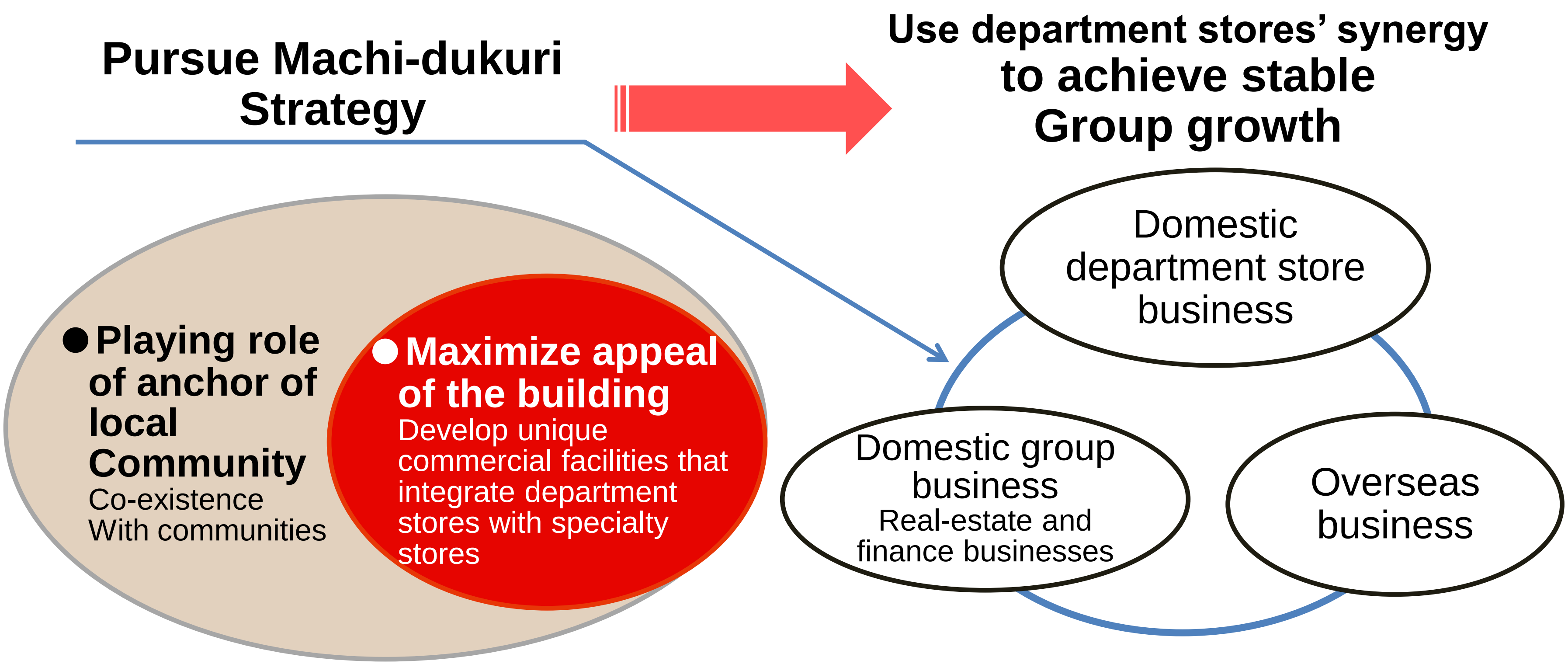


2. Takashimaya Group’s Growth Strategy

2.1 Group-wide Machi-dukuri Strategy

■ Pursue Group-wide Machi-dukuri Strategy and achieve stable growth

- Co-create with local communities and channel Group's energies into developing unique commercial facilities
- Use the synergy of department stores to gain competitive advantage in each business and further develop business overseas



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2.1 The Machi-dukuri Strategy in Action: Nihombashi Takashimaya Shopping Center

- **Pooling the group's energies, we opened this next-gen shopping center in March. The shopping center has got off to a good start.**
- **The project is helping group companies raise their profile in the industry.**

Toshin Development Co., Ltd.
(real-estate business)

Takashimaya Credit Co., Ltd.
(finance business)

Takashimaya Space Create Co., Ltd.
(contract & design business)

The shopping center opened on March 5 this year
(marking the completion of the department store's remodeling)

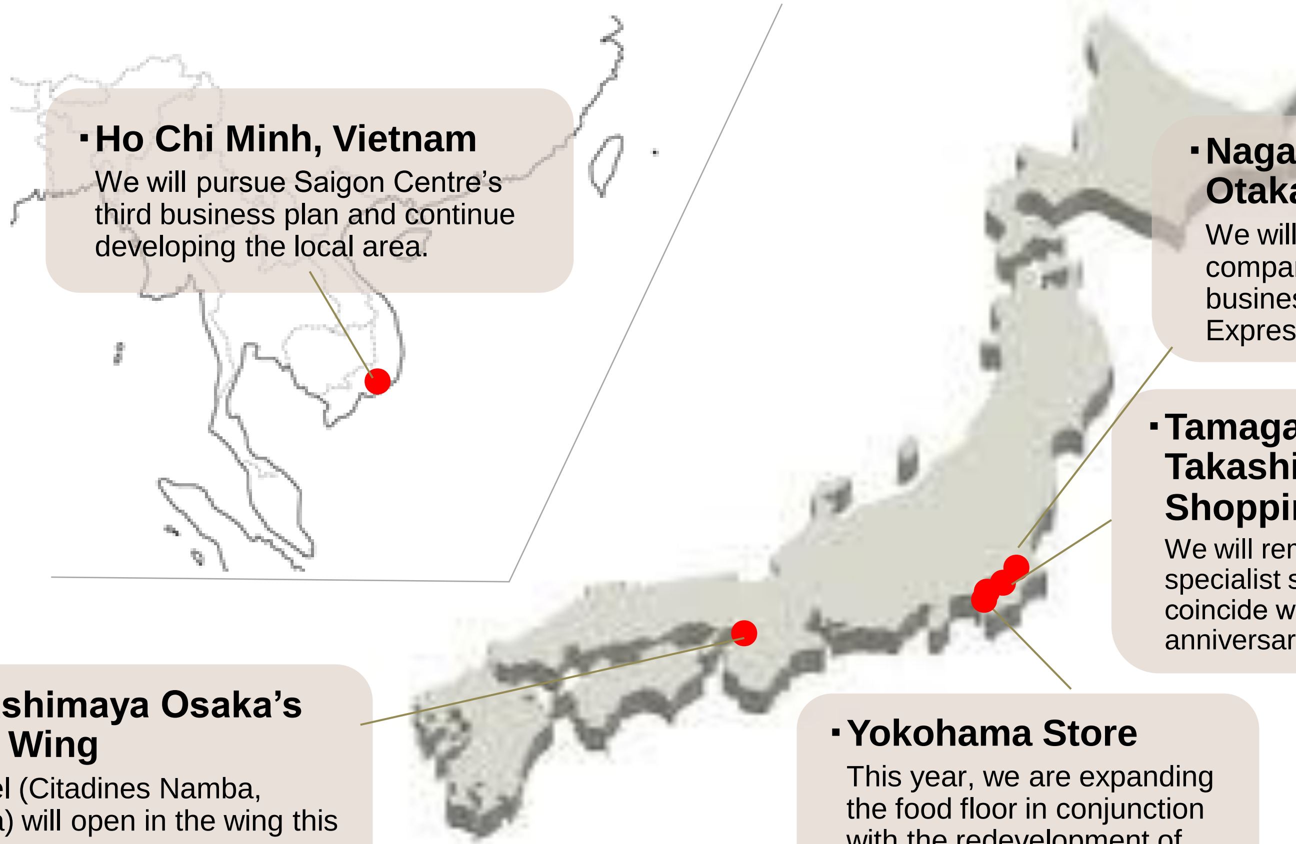
Century & Co., Ltd.
(staffing business)

R.T. Corporation Co., Ltd.
(restaurant business)

All Takashimaya Agency Co., Ltd.
(advertising business)

2.1 The Future of the Machi-dukuri Strategy

- **We will pursue the strategy in 21 locations (17 in Japan, 4 overseas).**
  - **Japan: We will invest in the 5 large stores and in growth areas (Tamagawa, Nagareyama).**
  - **Overseas: We will position Vietnam (a rapidly growing economy) as a second overseas base to Singapore.**



▪ Ho Chi Minh, Vietnam
We will pursue Saigon Centre's third business plan and continue developing the local area.

▪ Nagareyama Otakanomori
We will work with a local rail company to develop business along Tsukuba Express line.

▪ Tamagawa Takashimaya Shopping Center
We will remodel department and specialist stores this autumn to coincide with the center's 50th anniversary.

▪ Takashimaya Osaka's East Wing
A hotel (Citadines Namba, Osaka) will open in the wing this winter.

▪ Yokohama Store
This year, we are expanding the food floor in conjunction with the redevelopment of the station.

2. Takashimaya Group’s Growth Strategy

Long-Term Plan

2.2 Long-term Business Plans of the Takashimaya Group

■ Optimize group synergy to achieve stable growth

(billion JPY)

	FY2018	FY2023	Change from FY2018
Operating Revenue	912.8	990.0	+77.2
Operating Income	29.5	43.0	+13.5
ROE	3.3%	5.0%	+1.7%
ROA	2.5%	3.7%	+1.2%
Capital-to-asset ratio	37.7%	42.9%	+5.2%

Operating cash flow	210.0
Investment cash flow	-210.0
Financial cash flow	-20.0
Interest-bearing debt	194.8

The targets for overseas group companies, which follow International Financial Reporting Standards (IFRS), were made after the application of IFRS 16 (Leases). Likewise, the FY2018 results were estimated according to IFRS 16 to allow comparison.

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2.2 Takashimaya Group's Growth Strategy: Strategy for Each Business

- **Domestic department stores: Pursue Machi-dukuri Strategy and bold structural reform**
- **Prioritize investment in domestic subsidiaries and overseas businesses; expand real estate, financial, and ASEAN businesses**

(billion JPY)

	Operating revenue	2018 YOY change	Operating income	2018 YOY change
Domestic department stores	760.0	-23	10.0	+1.5
Domestic subsidiaries	230.0	+75	22.5	+8.0
Domestic subsidiaries	60.0	+26	11.0	+4.0
Total	990.0	+77	43.0	+13.5

The targets for overseas group companies, which follow International Financial Reporting Standards (IFRS), were made after the application of IFRS 16 (Leases). Likewise, the FY2018 results were estimated according to IFRS 16 to allow comparison.

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2.3 Investment and Financial Strategy

- **Invest 230 billion yen over 5-year period within cashflow range**
- **Expand business foundations with foresightful financial strategy**

(billion JPY)

Investment breakdown	**Long-term business plans of the Takashimaya Group** **5-year cumulative amount**	**Return on investment**
Domestic department stores	53.0	
Domestic subsidiaries	75.0	
Overseas	26.0	
Growth strategy investments	154.0	7.9%
Special investments (safety and security investments)	76.0	
Total	230.0	5.3%
Cashflow	230.0	

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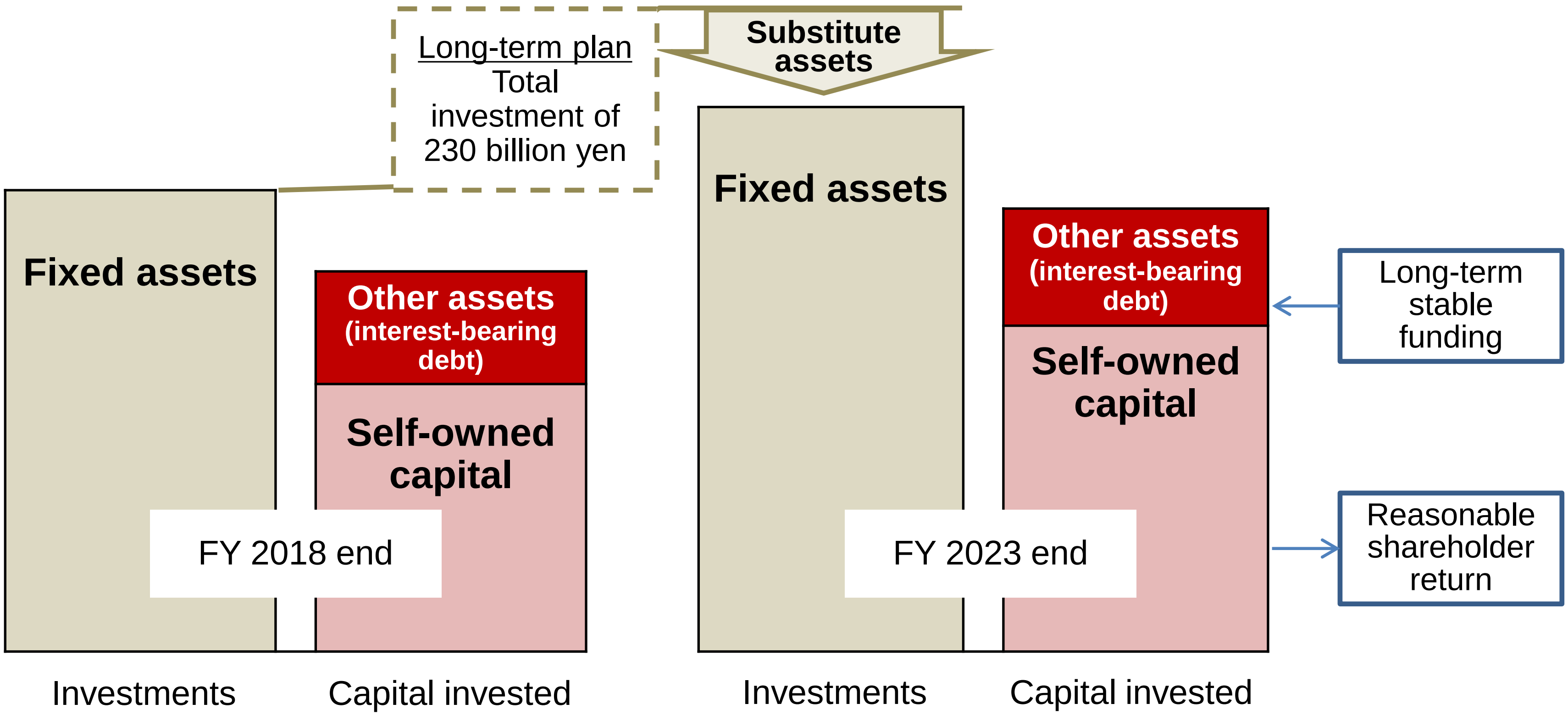
2. Takashimaya Group’s Growth Strategy

Capital Strategy

2.4 Capital Strategy

■ **Basic approach**

Aim to balance future growth with shareholder return to achieve both financial health and capital efficiency

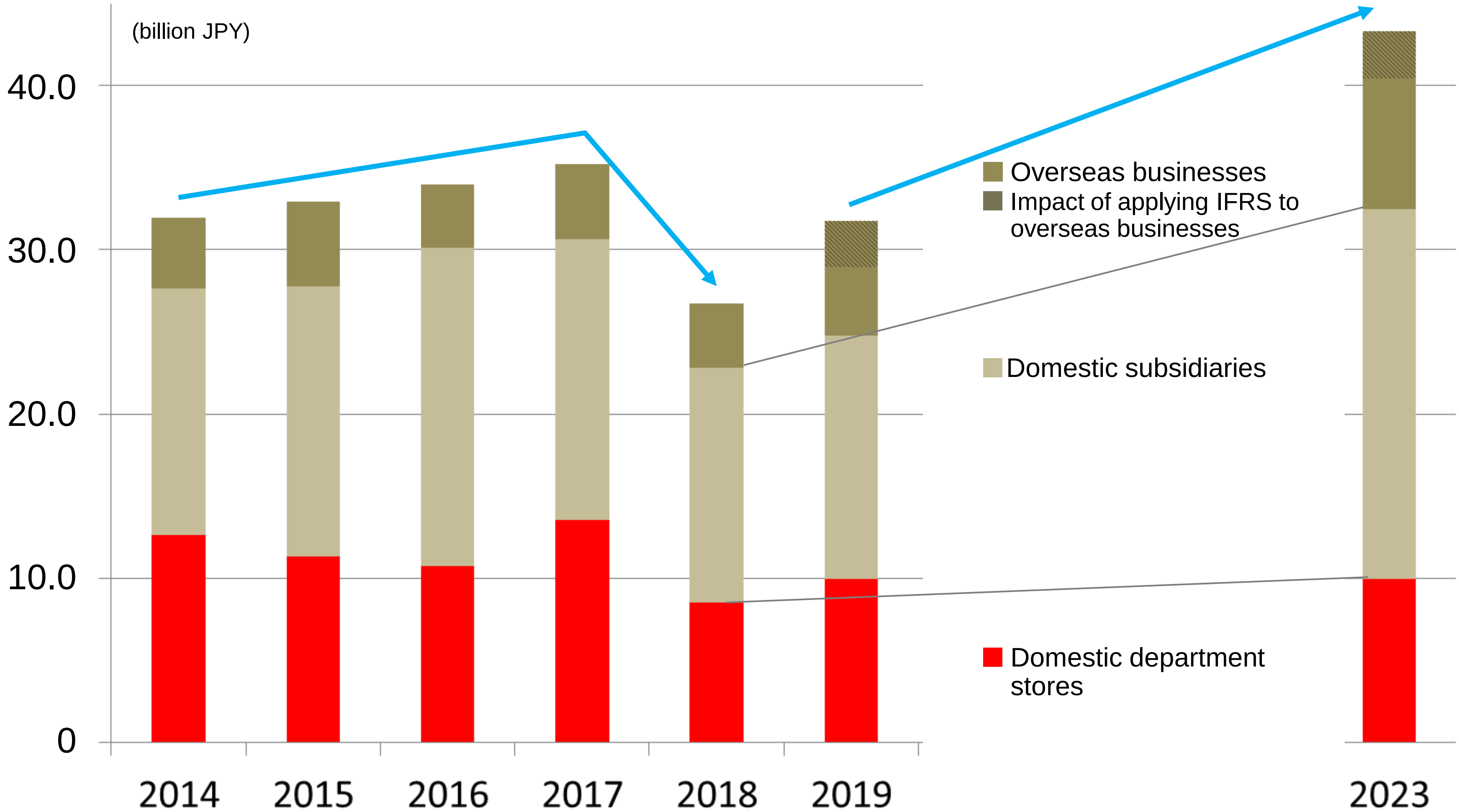


■ **Shareholder returns**

We will aim for optimal shareholder returns while taking into account the conditions for maintaining a stable dividend scale.

2.5 Takashimaya Group's Growth Strategy: Consolidated Operating Income

■ **Reinvest business assets to steadily grow the real estate, financial, and overseas businesses**



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2. Takashimaya Group’s Growth Strategy

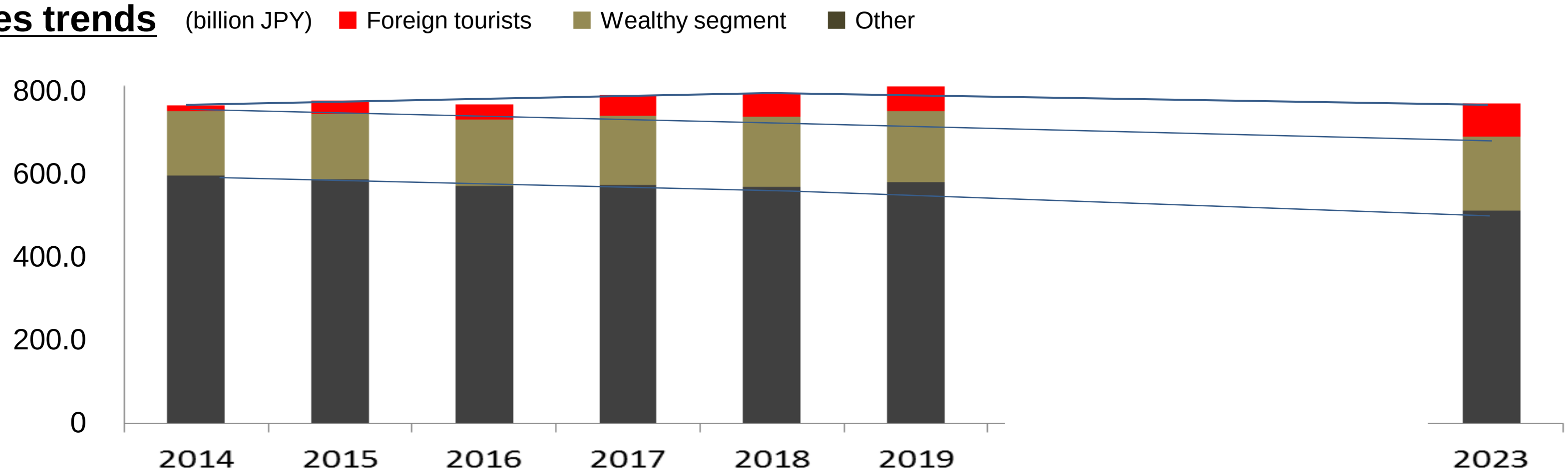
Strategy for Each Business

2.6.1 Domestic Department Stores

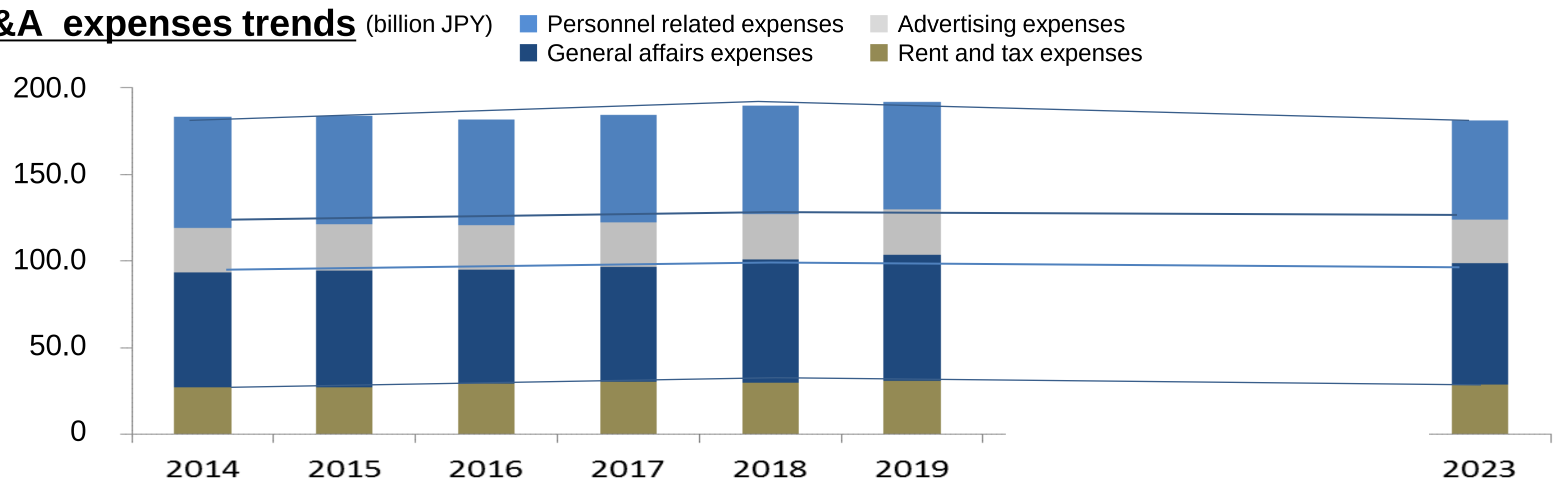
■ **Develop the Machi-dukuri Strategy with a view to securing stable revenue**

■ **Overhaul cost structure as part of efforts to streamline business processes**

Sales trends (billion JPY)



SG&A expenses trends (billion JPY)

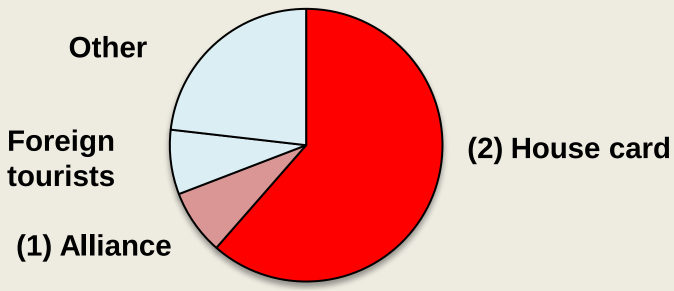


2.6.1 Domestic Department Stores

■ Build broad customer base to create potential for group synergy

Customer strategy

Actively leverage alliance



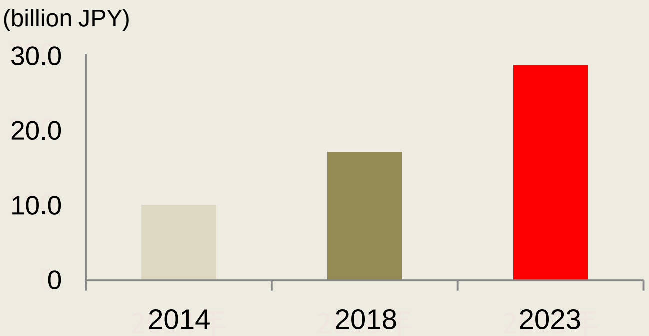
* Card member sales (1 + 2): 70%

Merchandising strategy

Use curatorial finesse to deliver inspiring shopping environments

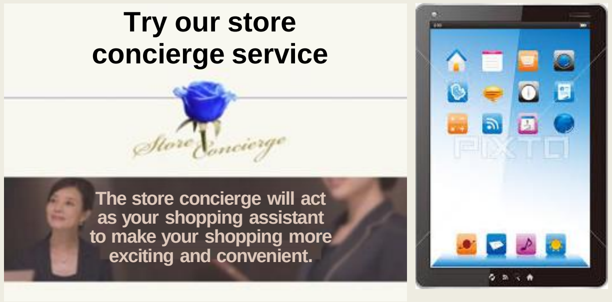
Online strategy

Establish e-commerce department to spearhead online business



Services strategy

Use app to improve in-store customer engagement



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2.6.1 Domestic Department Stores: Foreign tourist strategy

■ **Build broad customer base among foreign tourists, capitalizing on Tokyo 2020 and Osaka Expo 2025**

- Make shopping easier by offering cashless payment and simplifying duty-free procedures
- Pursue joint ventures with overseas businesses that have strong customer bases, and leverage group strengths

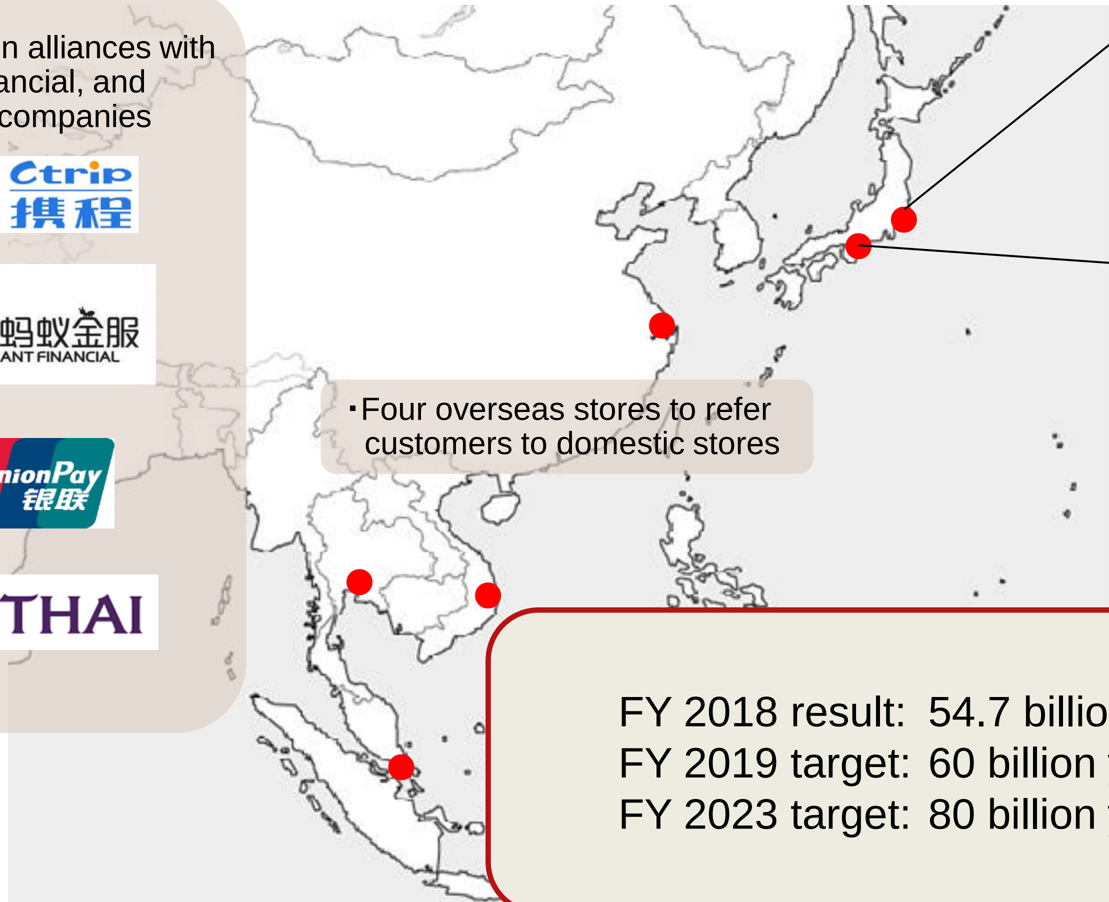
・Strengthen alliances with travel, financial, and transport companies

Ctrip 携程

蚂蚁金服 ANT FINANCIAL

UnionPay 银联

THAI

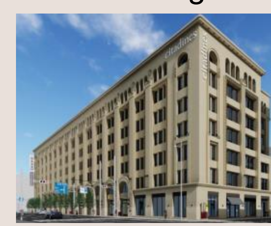


・Four overseas stores to refer customers to domestic stores

・Operate airport-style duty-free shop in Shinjuku

A&S TAKASHIMAYA DUTY FREE

・2019: Welcome Citadines Namba Osaka to Takashimaya Osaka's East Wing



FY 2018 result: 54.7 billion yen (+12% YOY)
FY 2019 target: 60 billion yen (+10% YOY)
FY 2023 target: 80 billion yen

2.6.1 Domestic Department Stores: Structural Reform

■ **Execute bold structural reform—this is necessary to cope with a rise in expenses associated with efforts to address social costs.**

FY2018 Operating Income

8.6 billion yen

Revenue Risks

･Change in business climate (includes a loss of 5 bn yen related to consumption tax hike)	-13.0 bn yen
･Increased efforts to address social costs (includes cost of SDG initiatives)	-9.0 bn yen
･Business strategy and other factors	+13.5 bn yen

-8.5 billion yen

FY2023 Operating Income Target

10.0 billion yen

Structural Reform

10.0 billion yen

2.6.2 Domestic Group Business

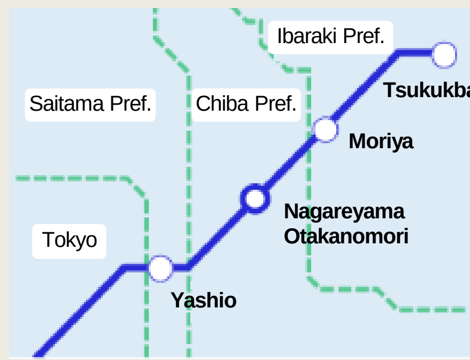
Real Estate Business (Toshin Development)

■ **Expand business by synergizing with department stores, seizing M&A opportunities, and pursuing joint ventures**

Work with department stores to develop surrounding areas

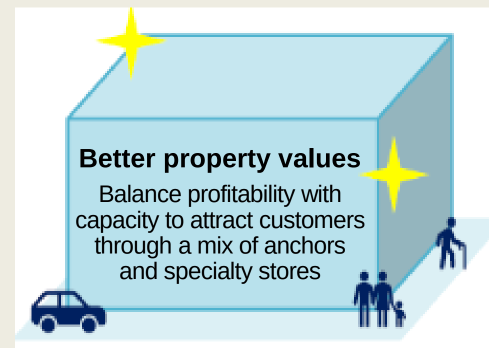
Revamp Tamagawa Takashimaya Shopping Center to coincide with 50th anniversary, and continue developing surrounding areas

Expand business opportunities through M&A deals



Acquire operators of commercial property along the Tsukuba Express line to expand business opportunities

Pursue joint ventures with allies



Pursue joint ventures, including those that use the group's non-core real-estate, to expand business mix

2.6.2 Domestic Group Business

Finance Business (Takashimaya Credit)

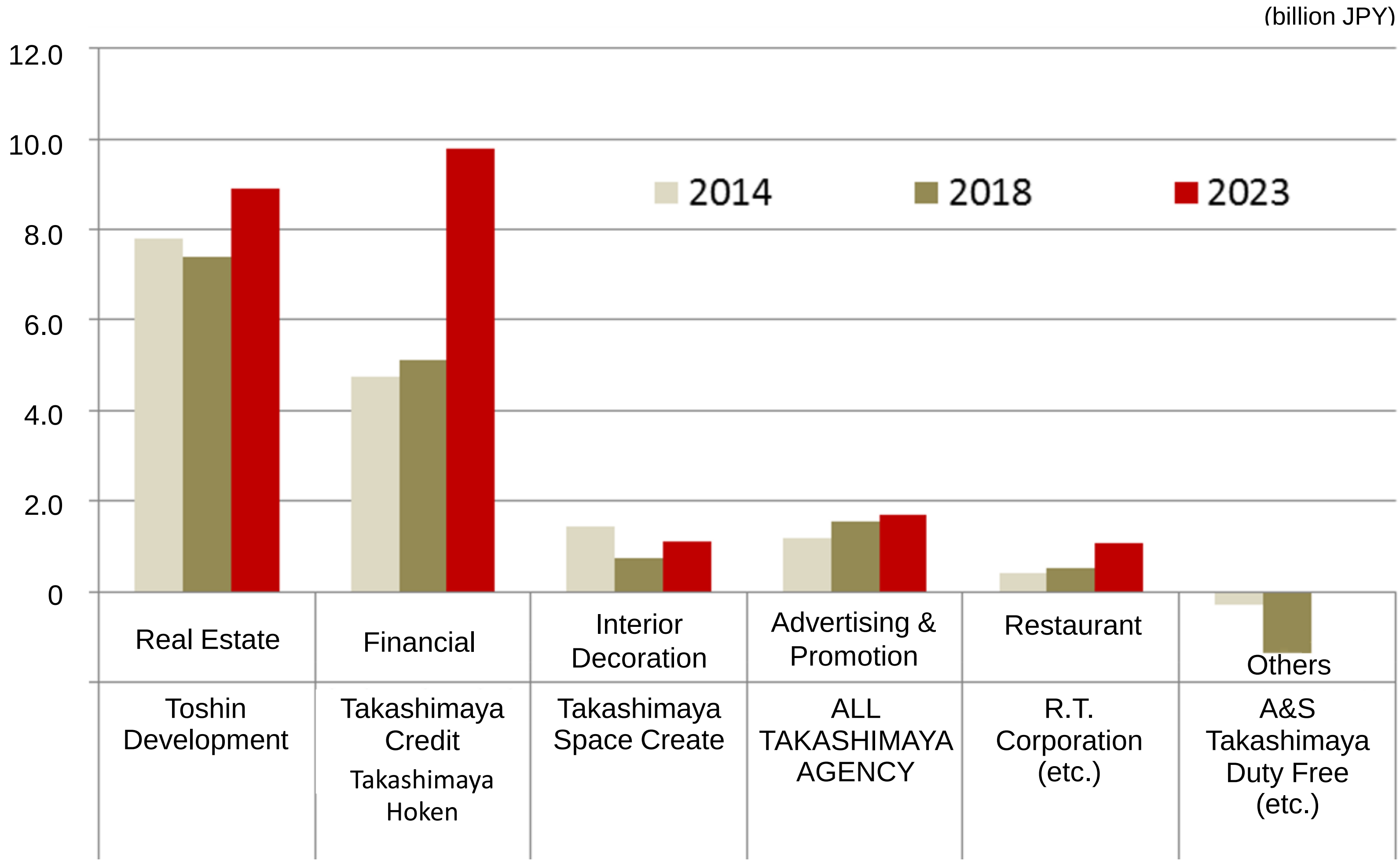
- **Evolve from a house card business into finance business that supports a broad customer base**
  - **Develop and expand business in collaboration with Credit Saison Co. Ltd.**
  - **Meanwhile, streamline house card operations**

Other businesses

- **Contract & Design Business (Takashimaya Space Create): Strengthen solutions business**
- **Airport-style duty-free shop (A&S Takashimaya Duty Free Co. Ltd.), restaurant business (R.T. Corporation Co. Ltd.): Develop department store-anchored business into growth driver**

2.6.2 Domestic Group Business

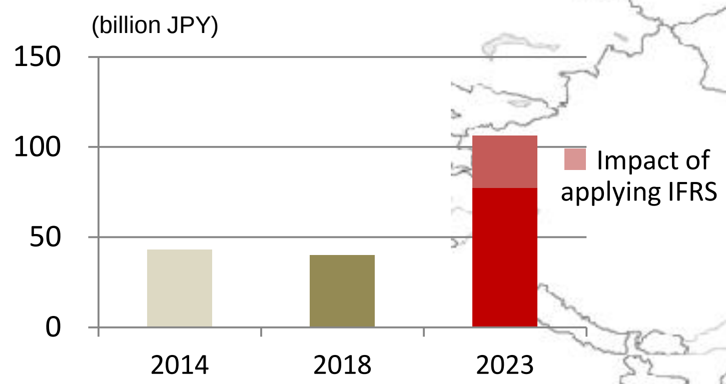
Operating income trends

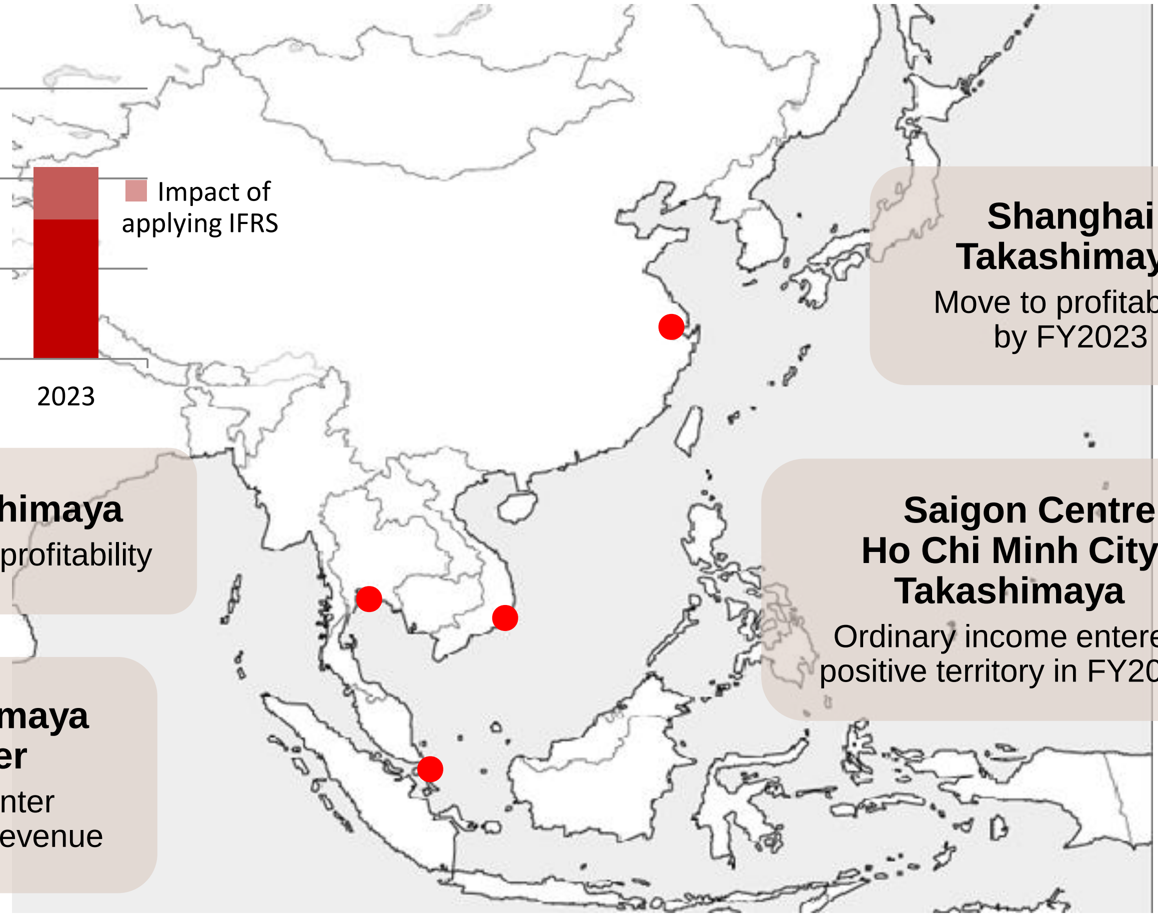


2.6.3 Overseas Businesses

- **Pursue ASEAN strategy with Singapore as hub**
- **Grow Vietnam business into the next overseas profit maker**
- **Make businesses in each area profitable by 2023 and move to growth phase**

Operating income trends





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2. Takashimaya Group's Growth Strategy

ESG Initiatives

2.7 ESG Initiatives: The Takashimaya Group SDGs Pledge

- We defined five key themes for contributing toward the SDGs and established the Takashimaya Group SDGs Pledge.
- Through our business operations, we will aim to address global challenges as well as deliver sustainable corporate growth

The Takashimaya Group SDG Pledge

1. **We will help address the challenges of climate change and pollution through the sustainable use of the environment and resources.**
2. **We will treasure local communities and cultures and contribute to their development and vibrancy.**
3. **We will provide every customer with accessible, inclusive, and stress-free shopping and services.**
4. **We will provide products and services that are safe, secure, that offer sustainable value grounded in local environments and work practices.**
5. **We will ensure that all our employees have opportunities to fulfil their potential in a healthy and rewarding work environment, regardless of their age, gender, disability, ethnicity, or form of employment.**

2.7 ESG Initiatives: Initiatives Under Each Key Theme

■ We have established a roadmap for accomplishing each of the five key tasks.

1. Use local environments sustainably

Theme	Initiative	Target
(1) Support RE100	Become an RE100 member	2020
	Go 100% renewable	2050
(2) Go carbon-free	Use ZEVs or EVs for out-of-store sales / deliveries	2030
	Go carbon-free in our facilities	2050
(3) Eliminate plastic waste	Switch to biodegradable shopping bags and drinking straws	2020
	Switch miscellaneous plastics (e.g., packaging) to biodegradable non-plastics	2020
	Switch to biodegradable, non-plastic food packaging	2025
	Recycle all plastic waste into renewable energy internally or externally	2030

* The target years may be revised to reflect changing circumstances (e.g., changes in government policy, technological innovation).

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2.7 ESG Initiatives: Initiatives Under Each Key Theme

2020 | 2025 | 2030

2. Support community development (Machi-dukuri)

(1) Expand services in partnership with local stakeholders

- Develop local produce and merchandise; expand customer interfaces (→ 2020)
- Provide customer interfaces and services that are tailored to local needs (→ 2025)

(2) Expand infrastructure with local stakeholders

- Develop infrastructure assets that we share with local communities (→ 2030)

3. Ensure accessible, inclusive, and stress-free shopping

(1) Increase inclusivity and diversify in merchandising

(2) Develop accessible and inclusive customer interfaces

- Provide products and services that all customers can access safely and comfortably (→ 2020)
- Develop customer interfaces (2020 → 2025)

(3) Apply universal design in all stores

- Provide hard and soft shopping infrastructure that all customers can access safely and comfortably (→ 2030)

* The target years may be revised to reflect changing circumstances (e.g., changes in government policy, technological innovation).

2.7 ESG Initiatives: Initiatives Under Each Key Theme

4. Provide sustainable products and services

2020 | 2025 | 2030

(1) Take a stand against child labor

- Commit to ridding our supply chains of child labor and other forms of exploitation and abuse
- Ensure that our supply chains are not driving poverty and inequality

(2) Promote eco-friendly merchandise and customer interfaces
(3) Provide added-value products

- Promote eco-friendly merchandise
- Develop eco-friendly customer interfaces
- Develop long-lasting products

(4) Eliminate food waste

- Revise sell-by, best-by, and use-by dates
- Establish no-waste system; find secondary markets, donate to food bank, etc.
- Recycle all food waste into renewable energy internally or externally

5. Ensure job satisfaction and career opportunities

(1) Improve employee engagement
(2) Provide equal employment opportunities

- Provide a diverse and inclusive workplace, where all employees can fulfill their potential, regardless of age, gender, disability, or nationality
- Assign roles in a way that values individual differences and preferences

* The target years may be revised to reflect changing circumstances (e.g., changes in government policy, technological innovation)

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3. Projections for FY Ending Feb 2020 (FY2019)

3.1 Consolidated Cost and Revenue Forecasts

- **Operating revenue will increase, buoyed by the full-year contributions of Nihombashi Takashimaya Shopping Center and Siam Takashimaya.**
- **Operating income will increase due primarily to domestic department stores' performance.**
- **Profit attributable to owners of parent will increase due to asset sell-offs.**

(billion JPY)	1st half forecast	Year-on-year		Full-year forecast	Year-on-year	
Operating revenue	458.0	16.5	3.7%	942.0	29.2	3.2%
SG&A expenses	129.5	5.0	4.0%	263.0	6.3	2.5%
Operating income	14.5	1.1	8.0%	31.0	4.3	16.3%
Ordinary income	13.5	(2.6)	(16.3%)	29.0	(2.2)	(7.2%)
Profit attributable to owners of parent	12.5	3.7	42.3%	20.0	3.6	21.6%

The forecasts for overseas group companies, which follow International Financial Reporting Standards (IFRS), were made after the application of IFRS 16 (Leases). In year-by-year comparisons, past results are as of the time before the application.

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3.2.1 Projections for Domestic Department Stores

- **The forecast for operating revenue assumes a hike in consumption tax, but operating revenue is still expected to increase due to a re-opening boost and foreign tourist demand.**
- **With higher operating revenue, operating income will increase, absorbing a rise in SG&A expenses.**
- **Ordinary and net income will decrease due to a reactionary decline from last year's dividend income from consolidated subsidiaries.**

(billion JPY)	1st half forecast	Year-on-year	Full-year forecast	Year-on-year
Operating revenue	387.6	9.9 2.6%	799.5	16.9 2.2%
Sales	380.4	9.5 2.6%	785.0	16.5 2.2%
Gross margin ratio	24.05	(0.11)	23.87	(0.07)
SG&A expenses	94.3	2.2 2.4%	191.8	2.3 1.2%
Operating income	4.4	0 0.8%	10.0	1.4 16.2%
Ordinary income	6.1	(1.1) (15.9%)	10.8	(10.3) (48.8%)
Profit	8.4	4.8 130.7%	9.0	(1.2) (11.4%)

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3.2.1 SG&A Expenses Projections at Domestic Department Stores

- **Personnel related expenses will improve due to a reduction in retirement benefit expenses.**
- **General affairs expenses will increase due to a rise in depreciation and transportation costs / operational expenses.**
- **Rent and tax expenses will increase due to a rise in fixed assets tax following the redevelopment of Nihombashi.**

(billion JPY)	1st half forecast	Year-on-year		Full-year forecast	Year-on-year	
Personnel related expenses	30.3	(0.2)	(0.5%)	62.0	(0.6)	(0.9%)
Advertising expenses	12.9	0.2	1.8%	26.4	(0)	(0.1%)
General affairs expenses	35.9	1.7	5.1%	72.9	2.1	2.9%
Rent and tax expenses	15.2	0.4	2.8%	30.6	0.9	2.9%
Total	94.3	2.2	2.4%	191.8	2.3	1.2%

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3.2.2 Domestic Group Business (Cost and Revenue Forecast of Each Company)

- **Toshin Development's operating revenue will increase with the full-year contribution from Nihombashi Takashimaya Shopping Center. However, its operating income will decrease due to lower earnings among existing facilities.**
- **Takashimaya Credit's operating revenue and income will increase thanks to efforts to promote external transactions.**
- **Takashimaya Space Create's operating revenue will decrease due to a reactionary downturn from last year's large orders. However, its operating income will increase thanks to better profitability.**

(billion JPY)	Operating revenue	Year-on-year	Operating income	Year-on-year
Toshin Development Co., Ltd.	**45.4**	1.6 3.6%	**6.8**	(0.5) (7.1%)
Takashimaya Credit Co., Ltd.	**20.6**	1.4 7.3%	**5.1**	0.2 3.2%
Takashimaya Space Create Co., Ltd. (including Takashimaya Space Create Tohoku)	**31.8**	(0.5) (1.5%)	**0.8**	0 3.1%

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3.2.3 Overseas Business (Cost and Revenue Projection of Each Company)

- **Singapore Takashimaya's operating revenue will decrease, reflecting a change in the accounting method for rent-received.**
- **TDS' operating revenue and income will increase thanks to a revision of tenant agreements.**
- **Shanghai Takashimaya and Takashimaya Vietnam will see increases in operating revenue and break into profit for the first time.**
- **Siam Takashimaya, with its full-year operation, will see an increase in operating revenue and reduce its debt.**

(billion JPY)	Operating revenue	Year-on-year		Operating income	Year-on-year	
Takashimaya Singapore Ltd.	**17.8**	(0.3)	(1.8%)	**4.9**	1.7	51.5%
Toshin Development Singapore Pet, Ltd.	**9.0**	0.1	1.0%	**3.2**	1.0	43.8%
Shanghai Takashimaya Co., Ltd.	**3.4**	0.2	7.8%	**0**	0.9	-
Takashimaya Vietnam Co., Ltd.	**2.0**	0.2	11.0%	**0**	0.2	-
Siam Takashimaya (Thailand) Co., Ltd.	**3.0**	2.6	826.4%	**(0.3)**	0.2	-

Exchange rate: 1SGD=81.72JPY 1CNY=16.64JPY 1VND=0.0047JPY 1THB=3.41JPY

The forecasts for overseas group companies, which follow International Financial Reporting Standards (IFRS), were made after the application of IFRS 16 (Leases). In year-by-year comparisons, past results are as of the time before the application.

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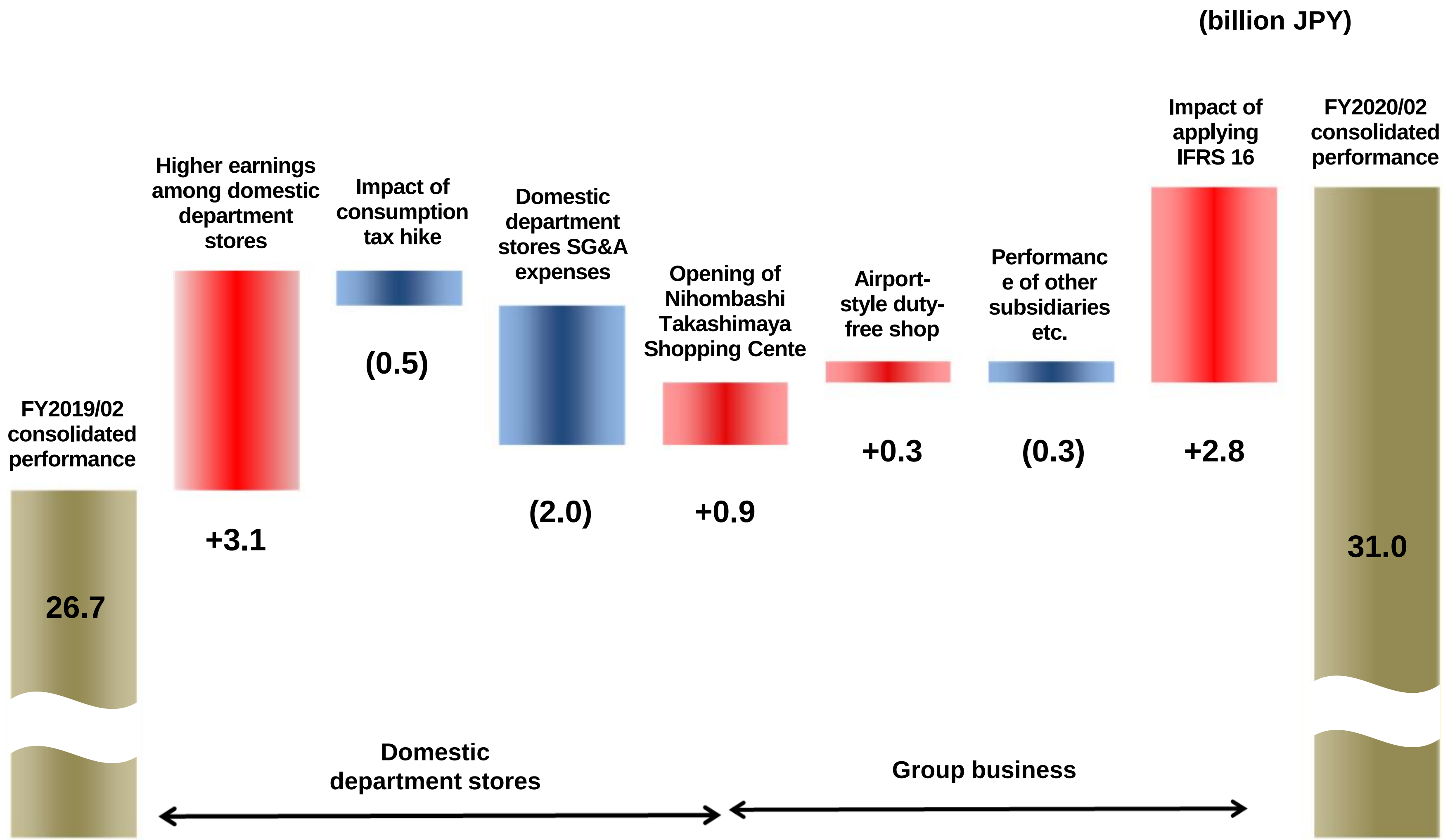
3.3 Factors Contributing to Changes in Projected Consolidated Operating Income



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As of the start of the consolidated period under review, we have changed the accounting presentation method for our overseas consolidated subsidiaries, which follow International Financial Reporting Standards (IFRS). For consignment buying, what was previously presented as gross profit margin is now presented on a net basis, as “sales.” The change has been retroactively applied in year-on-year comparisons.

Forecasts for FY2019 were made after the application of IFRS 16 (Leases). We have not retroactively applied the IFRS 16 in year-by-year comparisons, past results are as of the time before the application.

Statements contained herein regarding cost and revenue projections reflect our judgment based on information currently available, and do not represent a commitment from the company that they will be achieved. It should further be noted that actual results could differ materially from the cost and revenue projections stated herein due to a variety of factors.