

FINANCIAL RESULTS FY2015

April 12, 2016



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(Fiscal Year Ending February 2016)
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(Fiscal Year Ending February 2017)
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I Financial Results of FY2015 (Fiscal Year Ending February 2016)

Points of Consolidated Performance of Term Ending February 2016

- ✓ Increase in profits from major domestic department stores due to favorable sales of expensive goods and inbound demand
- ✓ Robust performance of major subsidiaries
- ✓ Strong consolidated performance, with increase in revenue for sixth consecutive year, and increase in revenue and profits for fourth consecutive year

Consolidated Performance

	(billion JPY)						
	1H	Year-on-year	2H	Year-on-year	Full-year	Year-on-year	Change from Projection
Operating Revenue	449.8	+1.8% +8.1	479.8	+1.9% +9.0	929.6	+1.9% +17.1	-0.4% -3.4
SG&A Expenses	121.8	-0.1% -0.2	123.8	+1.8% +2.2	245.6	+0.8% +2.0	-0.4% -1.1
Operating Income	13.8	+13.1% +1.6	19.2	-3.3% -0.7	33.0	+3.0% +1.0	-3.0% -1.0
Ordinary Income	16.2	+14.2% +2.0	21.6	-0.6% -0.1	37.8	+5.2% +1.9	-0.6% -0.2
Net Income	11.0	+15.2% +1.5	12.8	-1.6% -0.2	23.8	+5.5% +1.2	+0.5% +0.1

Operating revenue increased due to favorable performance among domestic department stores and there were sound sales among affiliated companies.

Operating income and ordinary income increased, albeit falling short of the targeted figures. This result was due to affiliated companies achieving profit growth, which offset a decline in product margins among domestic department stores.

Net income increased and reached the planned figure due to an increase in ordinary income, and also because of an increase in extraordinary profit attributable to profit from sales of stocks.

The group achieved the figures for operating revenue and operating income targeted in the long-term business plan it announced in April 2011. The group met these targets for the second consecutive year.

Performance of the Domestic Department Store Segment (Takashimaya and domestic department stores subsidiaries)

	(billion JPY)						
	1H	Year-on-year	2H	Year-on-year	Full-year	Year-on-year	Change from Projection
Operating Revenue	367.5	+0.3% +1.2	397.9	+2.3% +9.0	765.5	+1.4% +10.2	-0.1% -0.8
Sales	362.4	+0.3% +1.1	392.7	+2.3% +8.9	755.0	+1.3% +10.0	-0.1% -1.0
Gross Margin	24.59%	-0.43	24.35%	-0.46	24.46%	-0.45	-0.20
SG&A Expenses	90.7	-0.4% -0.3	93.0	+1.1% +1.0	183.7	+0.4% +0.7	-0.1% -0.2
Operating Income	3.5	-19.9% -0.9	7.9	-6.0% -0.5	11.4	-10.7% -1.4	-11.1% -1.4
Ordinary Income	6.7	-2.4% -0.2	8.0	-3.6% -0.3	14.6	-3.1% -0.5	-6.9% -1.1
Net Income	5.7	-28.8% -2.3	3.1	-25.1% -1.0	8.8	-27.6% -3.4	-10.3% -1.0

Operating revenue increased due to favorable sales of expensive goods and inbound demand.

Operating income and ordinary income decreased and fell short of the targeted figures due in large part to a decline in product margin. This decline was primarily attributable to a deterioration in product mix following a mild winter, which negatively impacted sales of highly profitable clothing.

Net income decreased and fell short of the targeted figures due to ordinary losses and the reactionary downturn following the previous year's profit on sale of real-estate. The result also reflects an increase in loss on retirement of noncurrent assets resulting from refurbishments and renewals.

SG&A Expenses in the Domestic Department Store Segment

	(billion JPY)						
	1H	Year-on-year	2H	Year-on-year	Full-year	Year-on-year	Change from Projection
Personnel related expenses	30.6	-2.1% -0.7	31.6	-2.8% -0.9	62.3	-2.5% -1.6	-1.3% -0.8
Advertising expenses	13.5	+6.4% +0.8	13.5	-0.1% -0.0	26.9	+3.1% +0.8	+2.6% +0.7
General affairs expenses	33.1	-0.3% -0.1	34.1	+3.1% +1.0	67.2	+1.4% +0.9	+0.1% +0.0
Accounting related expenses	13.5	-2.8% -0.4	13.8	+7.1% +0.9	27.3	+2.0% +0.5	-0.2% -0.1
Total	90.7	-0.4% -0.3	93.0	+1.1% +1.0	183.7	+0.4% +0.7	-0.1% -0.2

Personnel related expenses saw a YOY decrease, and reached the planned figure. This result was primarily attributable to a reduction in salaries, bonuses, retirement benefit costs, and benefit expenditures following personnel cuts.

Advertising expenses saw a YOY increase due to proactive sales campaigns, which entailed increased spending on advertising, and an increase in point card expenses in the wake of revenue growth.

General affairs expenses saw a YOY increase, but remained largely within the targeted range. This result was due to consumable expenses incurred by changing sales staff uniforms, and an increase in handling charges for other companies' credit cards in the wake of revenue growth.

Accounting related expenses saw a YOY increase, but fell within targeted figures. This result was due to an increase in fixed property tax following the acquisition of real estates for stores.

Performance of Each Company

(billion JPY)

	Operating Revenue	Year-on-year	Change from Projection	Operating Income	Year-on-year	Change from Projection
Toshin Development Co., Ltd.	35.0	+3.1% +1.1	-0.5% -0.2	8.0	+3.2% +0.3	+0.2% + 0.2
Toshin Development Singapore Pte, Ltd.	9.5	+11.3% +1.0	-1.9% -0.2	2.5	+26.2% +0.5	-0.6% -0.0
Takashimaya Singapore Ltd.	57.8	+5.1% +2.8	-3.2% -1.9	4.1	-5.3% -0.2	-5.7% -0.2
Shanghai Takashimaya Co., Ltd.	7.3	+16.1% +1.0	-2.6% -0.2	-1.2	- +0.7	- -0.0
Takashimaya Credit Co., Ltd.	17.3	+2.8% +0.5	-0.2% -0.0	4.3	+4.9% +0.2	+1.1% + 0.5
Takashimaya Space Create Co., Ltd. (Including Takashimaya Space Create Tohoku)	31.2	+7.1% +2.1	-0.8% -0.3	1.9	+31.9% +0.5	+4.8% +0.1

Toshin Development Co., Ltd. saw an increase in revenue and profits due to strong performance among existing domestic shopping centers such as Tamagawa and Hakata.

Toshin Development Singapore saw an increase in revenue and profits due to yen depreciation and an increase in rental income following the completion of renovation work.

Takashimaya Singapore Ltd. saw an increase in revenue, but a decrease in profits due to an increase in selling, general and administrative expenses such as personnel related expenses.

Takashimaya Shanghai saw an improvement in revenue and profits due to the success of a merchandising overhaul and a decrease in selling, general and administrative expenses such as rent.

Takashimaya Credit Co., Ltd. saw an increase in revenue and profits due to steady growth in revenue from card handling fees and membership fees.

Takashimaya Space Create Co., Ltd. saw an increase in revenue and profits due to good order volume in hotels and commercial facilities, and an expansion of residential remodeling business in collaboration with department stores.

II Financial Forecasts for FY2016 (Fiscal Year Ending February 2017)

Points for the Fiscal Year Plan

- ✓ Domestic department stores to achieve an increase in revenue and profits based on effective business policies and strong inbound demand
- ✓ Selling, general and administrative expenses to increase based on initial costs of new business openings
- ✓ Consolidated performance to improve for seventh consecutive year

Consolidated Cost and Revenue Projections

(billion JPY)

	1H	Year-on-year	Full-year	Year-on-year
Operating Revenue	457.5	+1.7% +7.7	953.0	+2.5% +23.4
SG&A Expenses	123.1	+1.1% +1.3	248.9	+1.3% +3.3
Operating Income	13.9	+0.6% +0.1	34.0	+3.1% +1.0
Ordinary Income	15.8	-2.5% -0.4	38.0	+0.6% +0.2
Net Income	10.0	-9.4% -1.0	24.0	+0.7% +0.2

Operating revenue is expected to increase based on steady growth among domestic department stores and domestic subsidiaries.

While expenses will temporarily increase due to business openings such as Takashimaya Ho Chi Minh City, operating income and ordinary income are expected to increase, supported mainly by profits of domestic department store and also by steady profits of subsidiaries.

Net income is also expected to increase based chiefly on an increase in ordinary income.

Cost and Revenue Projections at Domestic Department Stores (Takashimaya and Domestic Department Store Subsidiaries)

(billion JPY)

	1H	Year-on-year	Full-year	Year-on-year
Operating Revenue	374.1	+1.8% +6.5	775.6	+1.3% +10.1
Sales	368.8	+1.8% +6.4	765.1	+1.3% +10.0
Gross Margin	24.46%	-0.14	24.36%	-0.11
SG&A Expenses	91.7	+1.0% +0.9	184.5	+0.4% +0.7
Operating Income	3.8	+7.7% +0.3	12.4	+9.0% +1.0
Ordinary Income	6.6	-1.2% -0.1	15.1	+3.4% +0.5
Net Income	4.9	-15.1% -0.9	9.4	+6.8% +0.6

- Operating revenue is expected to increase due to a dramatic improvement in the local environment around Shinjuku Store upon the 20th anniversary of store's opening, and further supported by continued growth in inbound demand.
- Operating income and ordinary income are expected to increase based chiefly on increased profits reflecting revenue growth.
- Net income is also expected to increase based chiefly on an increase in ordinary income.

SG&A Expense Projections at Domestic Department Stores

	(billion JPY)			
	1H	Year-on-year	Full-year	Year-on-year
Personnel related expenses	30.4	-0.8% -0.2	62.4	+0.2% +0.1
Advertising expenses	13.3	-1.1% -0.2	26.8	-0.5% -0.1
General affairs expenses	34.0	+2.6% +0.9	67.3	+0.1% +0.0
Accounting related expenses	14.0	+3.4% +0.5	28.0	+2.5% +0.7
Total	91.7	+1.0% +0.9	184.5	+0.4% +0.7

Personnel related expenses is expected to see a slight increase overall in FY 2016. While personnel cutbacks will bring down salary costs, the second half of the fiscal year will see an expansion in the number of employees for whom the employer has to pay social insurance contributions.

Advertising expenses will be reduced by 0.1 billion yen by promoting cost-efficiency in advertising and point card spending.

General affairs expenses will be kept at the same level as the previous fiscal year. The first half will see an increase due to greater facility investment aimed at improving customer safety and peace of mind. However, this increase will be offset in the second half by reductions in operations expenses and other expenses.

Accounting related expense will increase by 0.7 billion yen due to an increase in rent prompted by new openings such as Takashimaya Watch Maison, and an increases in taxes and dues.

Cost and Revenue Projections of Each Company

	Operating Revenue		Operating Income	
		Year-on-year		Year-on-year
Toshin Development Co., Ltd.	42.2	+20.6% +7.2	8.4	+4.5% +0.4
Toshin Development Singapore Pte, Ltd.	9.2	-2.8% -0.3	2.3	-5.8% -0.1
Takashimaya Singapore Ltd.	55.5	-4.0% -2.3	3.8	-6.4% -0.3
Shanghai Takashimaya Co., Ltd.	7.2	-0.9% -0.1	-0.9	- +0.3
Takashimaya Credit Co., Ltd.	17.8	+3.2% +0.6	4.4	+1.4% +0.1
Takashimaya Space Create Co., Ltd. (Including Takashimaya Space Create Tohoku)	35.1	+12.6% +3.9	2.1	+8.0% +0.2

Toshin Development is expected to see an increase in revenue and profits due to continued strong performance among existing domestic shopping centers.

Toshin Development Singapore is expected to see an increase in revenue and profits in local currency, but a slight decrease in the same in yen owing to the high value of the currency.

Takashimaya Singapore is expected to see an increase in revenue and profits in local currency, but a decrease in the same in yen.

Takashimaya Shanghai will see a slight decrease in revenue owing to the high yen, but the store will achieve an increase in revenue in local currency, resulting in an overall improvement in operating income.

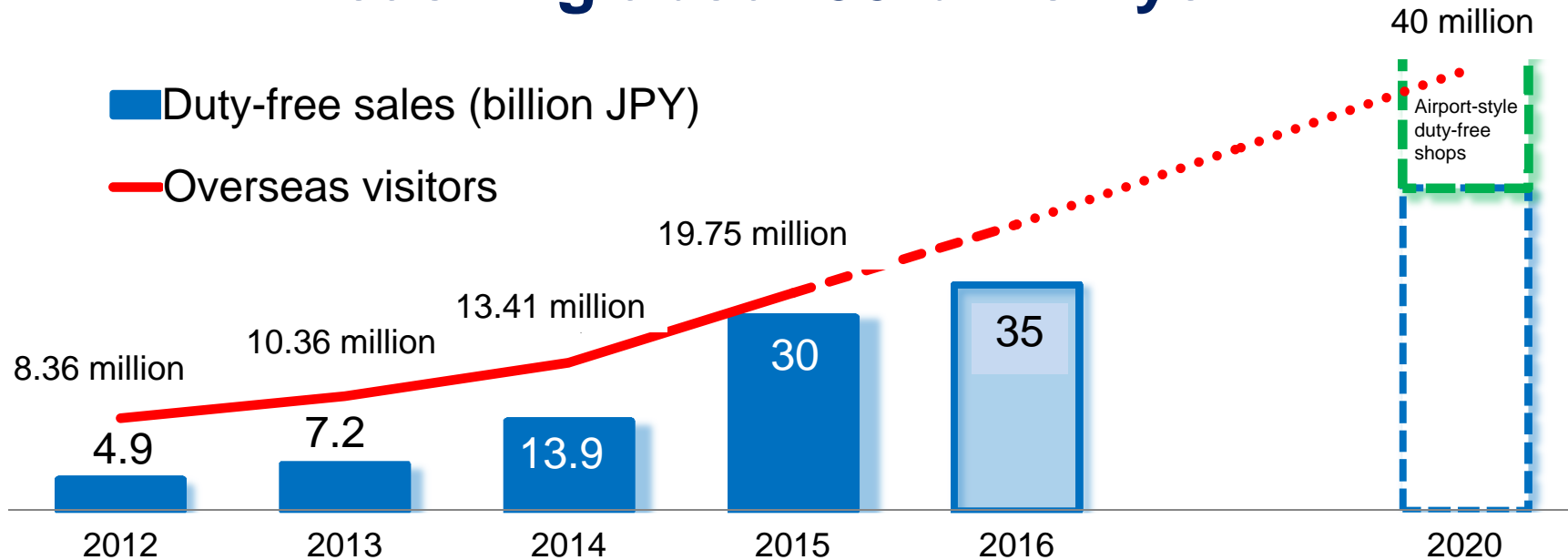
Takashimaya Credit is expected to see an increase in revenue and profits due to steady growth in revenue from card handling fees and membership fees.

Takashimaya Space Create is expected to see an increase in revenue and profits due to an expansion in orders related to the Tokyo Olympics and Paralympics.

III Segment Summaries: Department Store Business

Inbound Sales

Duty-free revenues for FY2015 doubled YOY, reaching about 30 billion yen

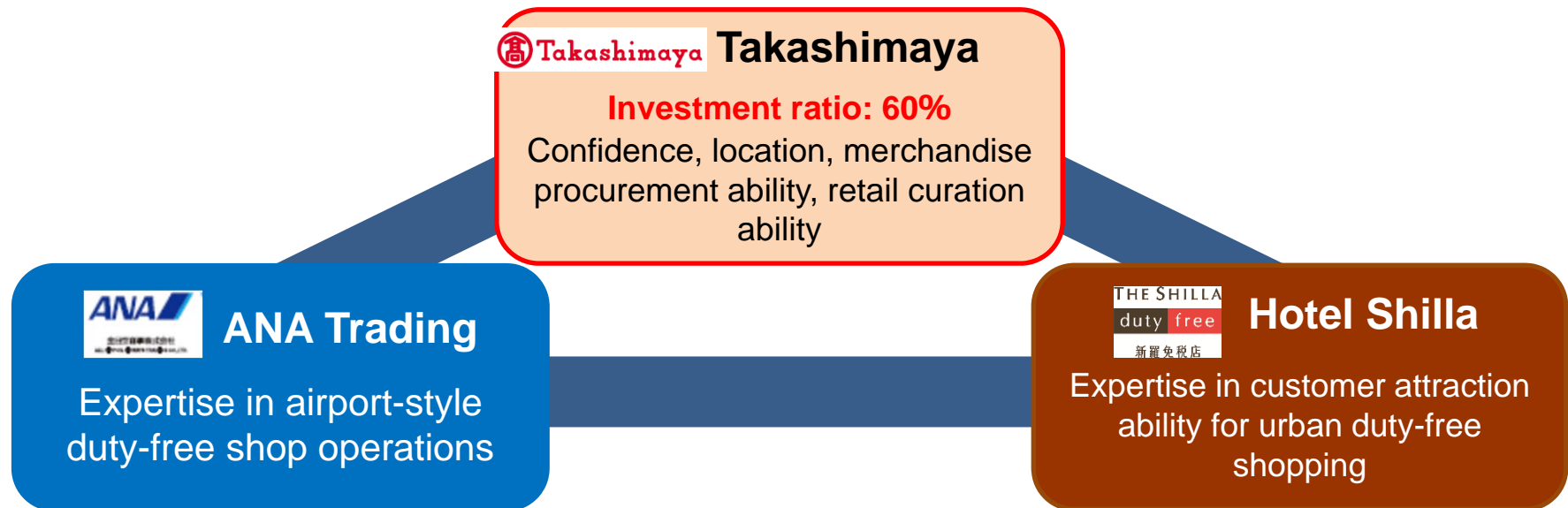


Goal for FY 2016: 35 billion yen (+17% YOY)

- Work with China's largest travel-booking website C-trip to draw Chinese customers to stores
- Introduce Alibaba Group's Alipay payment service
- Advance an airport-style duty-free business

Airport-style Duty-free Shops

Takashimaya is forming a three-way joint venture with ANA Trading and Hotel Shilla in order to collaborate in an airport-style duty-free shopping business

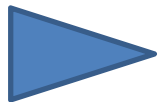


- With an investment ratio of 60%, the Group will establish the joint-venture as a consolidated subsidiary.
- The first shop is scheduled to open in spring 2017 on the 11th floor of Takashimaya Shinjuku. The shop will form an integrated part of the department store so as to provide a one-stop shopping experience that is second to none.
- There will be further discussions on opening the second store in the Osaka area.
- Sales for the first year are expected to be 15 billion yen.

Improvement of Product Margin

Aiming for radical improvement in product margin
FY2016 goal: Improve product margin by 2 billion yen

- **Improve product margin by increasing merchandise purchases**
 - Expand highly profitable merchandise, including regular merchandise and merchandise with enhanced features
- **Secure product margin by revising priority sales**
 - Improve cost-effectiveness by focusing efforts on important sales periods
- **Formulate Win-Win product margin**
 - Review transaction conditions in light of sales expansion
 - Review transaction conditions pertaining to growing markets



The strategy will be pursued for two years with a view to achieving improved product margin from FY2018

Merchandise with Enhanced Features

Pursuing characterization strategy focusing on high quality, popularity, and profit point of view
FY2016 goal: Sales of 57 billion yen (+5% YOY)

- **“Characteristic Shops” (10 in total) for showcasing the Takashimaya style**
 - The main shops, “Style & Edit” and “CS Case Study” are well-established (10 and 15 years old, respectively).
 - The secondary fashion-focused shops, “Denim Style Lab” and “Excellounge,” will be strengthened. (2H)
- **Private Brands (21 in total)**
 - Merchandise lineup of Fauchon, Peck, and Dallmayr will be revised.
 - Takashimaya labels will be strengthened (cashmere, school satchels).
- **Procure and sell independently (“Independent Merchandise Curation”)**
 - Open women’s apparel “Season Style Lab” in large department stores (2H)
- **“Concept Zones” for identifying and capitalizing on topical themes**
 - Open “Wellbeing Zone” (tentative name) in Shinjuku Store as a zone that provides lifestyle suggestions for healthy living (2H)



Maximizing Customer Interface

Expanding sales opportunities by pursuing omni-channel strategy

FY2016 goal: Online sales of 13 billion (+15% YOY)

- Expand collaboration with Onward Kashiyama
Introduce “tablet sales” throughout stores and launch “special order sales” tests in small-medium stores
- Expand number of stores with “showroom stores”
- Add further payment methods to exclusive website for out-of-store sales customers “Takashimaya e-salon”

Attracting customers through alliance with NTT Docomo

- Improve convenience and level of service for Takashima customers and the approximately 54 million users of Docomo’s “d Point Club”
 - Introduce d Point
 - Collaborate in marketing strategy
 - Draw in customers by utilizing a variety of channels, etc.



Overseas Strategy

- Utilize as management resources **Takashimaya Singapore's brand power** and business expertise.
- Future overseas development to be centered on **Toshin Development**, and to be advanced in step with real estate business.
- Develop the **department store business, real estate business, and commercial facility management** in an integrated manner so as to enable the businesses to achieve early profitability.

Takashimaya Singapore and Takashimaya Shanghai

Takashimaya, Singapore

Aim to expand revenue by further strengthening business, drawing on a customer base comprised chiefly of wealthy individuals, including those from neighboring countries.

- Overhaul special selections and women's goods with a view to characterization
- Pursue house card strategy, strengthen efforts to cater to tourists



Takashimaya, Shanghai

Reduce debt and achieve early profitability by strengthening sales and reducing rent.

- Reorganize fashion, strengthen food and restaurants
- Improve product selections in Japanese-Good Store
- Capture broad customer base by strengthening online sales



Takashimaya Ho Chi Minh City (Saigon Centre)

**Store will open in July this year and serve as the second foothold
in the ASEAN area**

Integrated management of the 3 businesses will contribute to revenue growth

- Saigon Centre, the main tenant of which is Takashimaya Ho Chi Minh City, will be developed as a shopping center that offers a one-stop shopping experience.
- Asia's leading real estate developer Keppel Land Limited will act as business partner.
- Integrated management of the department store business, real estate business, and commercial facility management with a view to achieving profitability in a single fiscal year after four years.

Total Floor Area	About 181,800 m ²
Sales Floor Area	About 55,500 m ²
Takashimaya Ho Chi Minh City	About 15,000 m ²

Scheduled to open in July 2016



Siam Takashimaya, Bangkok

**Store will open as a core tenant in Thailand's large commercial facility
"ICONSIAM"**

Total construction expenses: 150 billion yen

Site area: 80,000 m²

- Siam Takashimaya's concept: "Fusion of the best of Thailand and Takashimaya"
- Open in partnership with locally influential company Iconsiam
- Scheduled to open in 2017



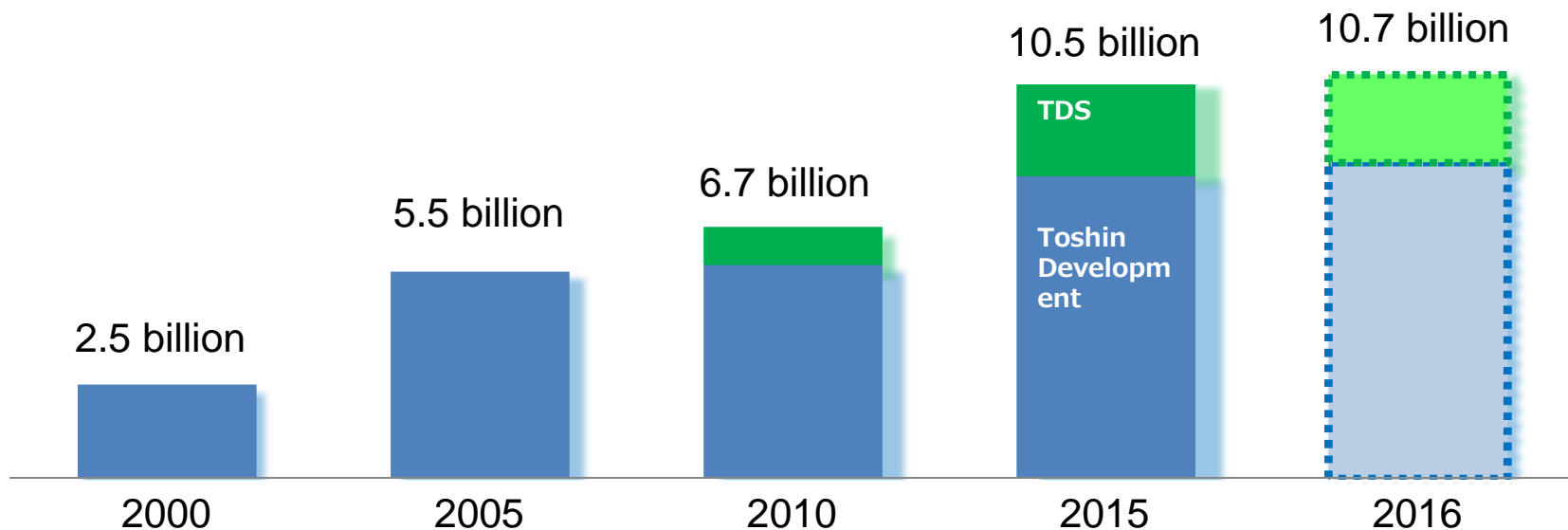
Site Area	About 80,000 m ²
Total Floor Area	About 750,000 m ²
Commercial Floor Area	About 525,000 m ²
Siam Takashimaya	About 36,000 m ²

Real Estate Business
Finance Business
Contract & Design Business

Real Estate Business: Toshin Development

Exerting its role as second core company of the group, Toshin Development is pursuing the “Machi-dukuri” strategy in collaboration with the department stores business

(in FY2015, it achieved an operating income of 10.5 billion yen)



- Toshin Development was founded in 1963 in order to develop the Tamagawa Tashimaya shopping center, Japan's first suburban shopping center.
- It runs Takashimaya Singapore, Kashiwa Takashimaya Station Mall, and Nagareyama Otakanomori Shopping Center.
- It is involved in the running of the Saigon Centre's real estate and commercial facilities.
- It is pursuing the Nihombashi redevelopment plan.

TDS: Toshin Development Singapore

Real Estate Business: Toshin Development

Developing domestic and overseas shopping centers that are integrated with department stores



- Create shopping centers that pursue customer satisfaction in tandem with department stores and specialty stores
 - Achieve product line-up that fuses the best of department stores and specialty stores
 - Promote common services among department stores and specialty stores (information, loyalty points, catering to inbound demand, delivery, etc.)
 - Pursue joint sales promotion throughout shopping center

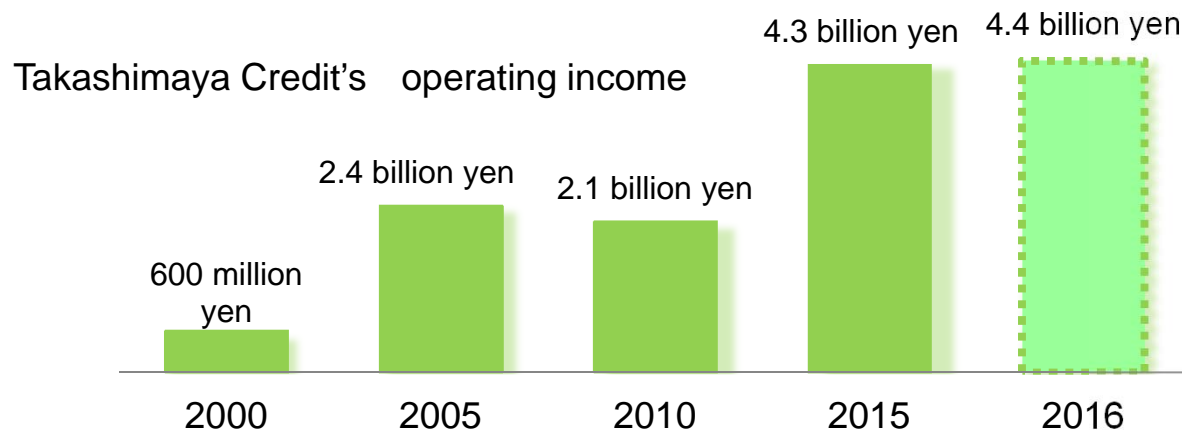


- Pursue development by utilizing the long-term foresight that characterizes a real estate business
 - Develop areas around shopping centers (Tamagawa, Nagareyama); broaden focus from “points” to “area”
 - Enhance the architectural value of the buildings through spatial presentation (such as rooftop gardens) and property management

Financial Business: Takashimaya Credit

Growing as third core company of Group, and achieving revenue expansion

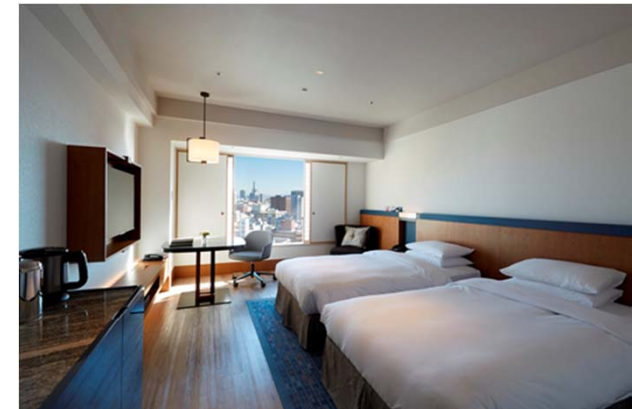
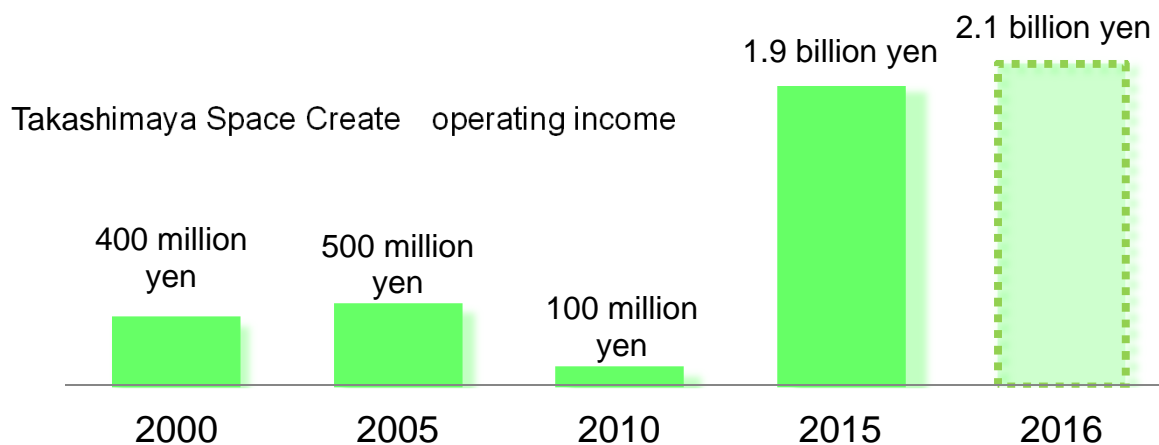
- Increase membership and utilization based on group-wide strategy
 - Strengthen efforts among department stores to increase membership and utilization
- Expand opportunities to use cards in external member stores
 - Promote utilization among Takashimaya card members with high purchase potential
- Diversify payment methods, strengthen service for cashless payments
 - Cater to customers' diverse payment requirements, expand utilization among new members



Contract & Design Business: Takashimaya Space Create Co. Ltd.

Achieving further revenue growth through expansion in external revenue under a favorable construction market

- Expand orders by proactively targeting hotels and other accommodation facilities that are active among inbound customers
- Strengthen the business by coordinating organizational efforts to gain orders related to developments around Nagoya Station
- Working with department stores, expand renovation orders among private homes

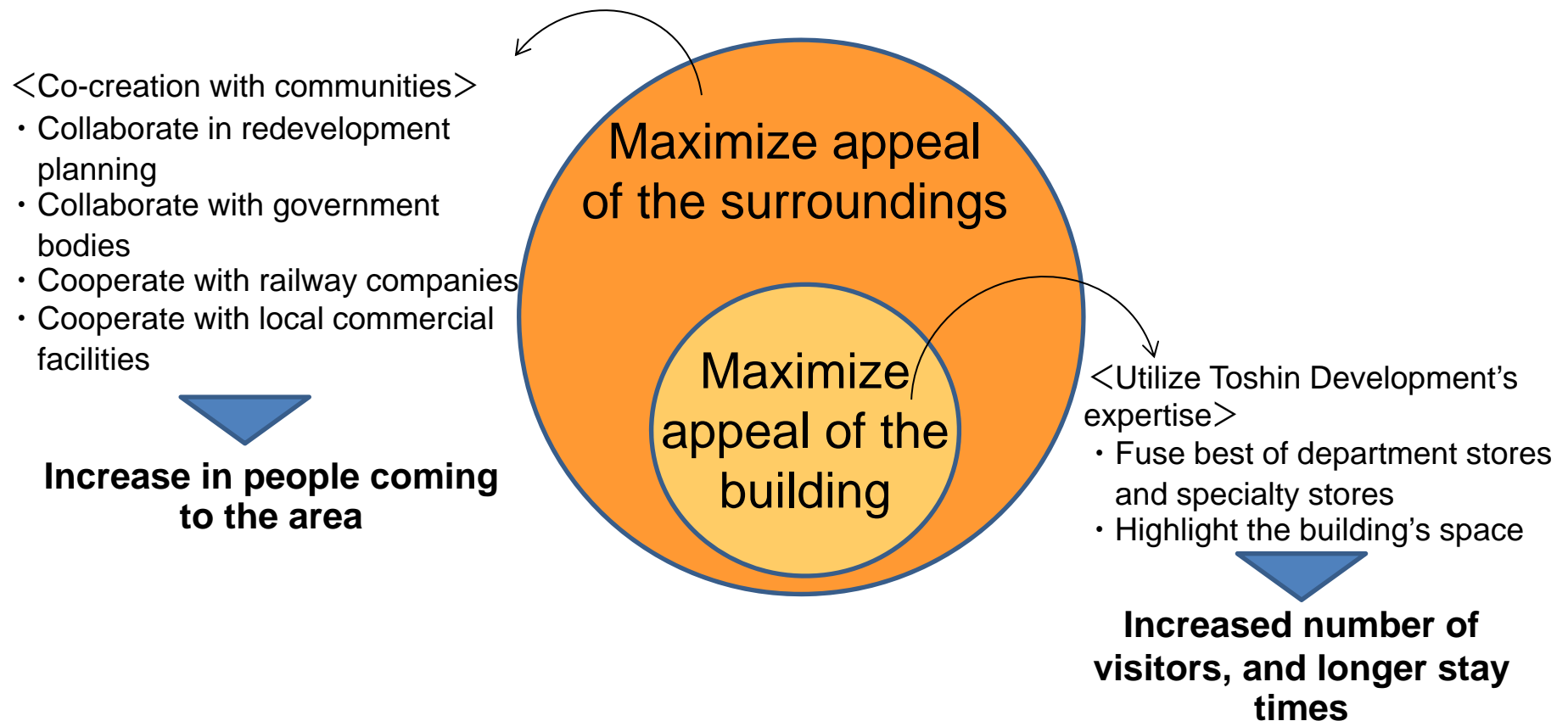


Room with twin beds at Hilton Nagoya
Photo provided by Hilton Nagoya

“Machi-dukuri” Community Development Strategy

Promoting the “Machi-dukuri” Strategy

Pursuing co-creation with communities and maximizing the appeal of domestic and overseas buildings and their surroundings by leveraging the expertise of Toshin Development and other group companies



“Machi-dukuri” Strategy: Appeal of the Building

All domestic and overseas facilities to achieve optimal management and optimal cost-effectiveness

Domestic department stores + Shopping centers operating income: 19.2 billion yen
Consolidated operating income share: 60%

Major commercial facilities' sales (FY2015)



Yokohama 131 billion yen



Nihombashi
95 billion yen



Shinjuku☆ 95 billion yen



Kashiwa☆ 56 billion yen



Osaka☆ 128 billion yen



Kyoto 85 billion yen



Tamagawa☆
94 billion yen



Singapore☆
126 billion yen

☆=Commercial facility in which department stores and specialty stores are integrated

“Machi-dukuri” Strategy: Takashimaya Times Square, Shinjuku

20th anniversary of the opening of Takashimaya Times Square, Shinjuku Becoming a store that forms a core part of Group’s revenue

Shinjuku Store forecasted to see sales of 73.3 billion yen in FY2016

○ **Completion of Shinjuku Station South Gate area infrastructure business**

- Opening of Busta Shinjuku (Shinjuku Expressway Bus Terminal)
- Opening of Miraina Tower
- Office population growth and opening of commercial facility “NEWoman”

○ **Enhancement of building’s appeal upon 20th anniversary**

- Food floor refurbished to better cater to the demand for lunch among office workers
- Toshin Development’s expertise utilized in refurbishment of Restaurants Park (autumn 2015)
- Strengthening of efforts to capture inbound demand, including opening of airport-style duty-free shop (spring 2017)



“Machi-dukuri” Strategy: Nihombashi Redevelopment Plan

"Machi-dukuri" in the Nihombashi area based on new urban shopping center concept

- In autumn 2018, Nihombashi Takashimaya will have expanded its sales area to the adjacent block, and it will open as a completely new commercial zone.
- The existing main building will be revamped, and enhancements will be made to facilities such as the rooftop garden and entranceway. The grand opening in all blocks is scheduled for spring 2019.
- The aim is to revitalize the area and create new commercial facilities that convey “beautiful lifestyles” to customers.



“Machi-dukuri” Strategy: Small and Medium-sized Stores

Catering to local needs by introducing specialty stores to small and medium-sized stores

Konandai Store

- Bring in major tenant Nitori (furniture retailer) to cater to needs of families
- Promote revitalization of area by enhancing products and services in cooperation with neighboring commercial

Tachikawa Store

- Opening of stores such as a large bookstore Junkudo to open (F6) to create stores that closely reflect the needs of the area
- Ensure harmonious segregation between store's merchandise and that of rival stores in order to enhance the local area's appeal and attract more customers to stores



Photo provided by Maruzen
Junkudo

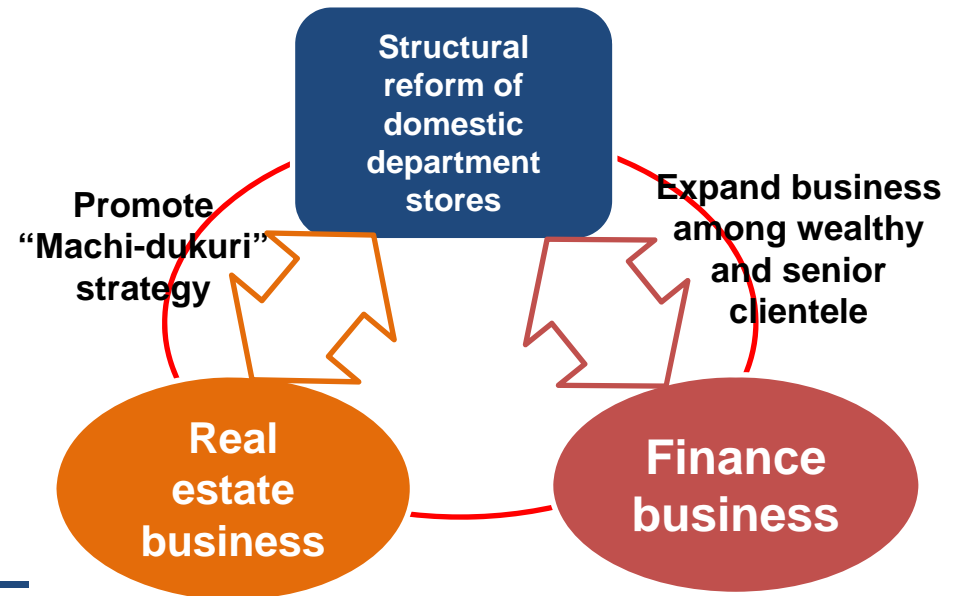
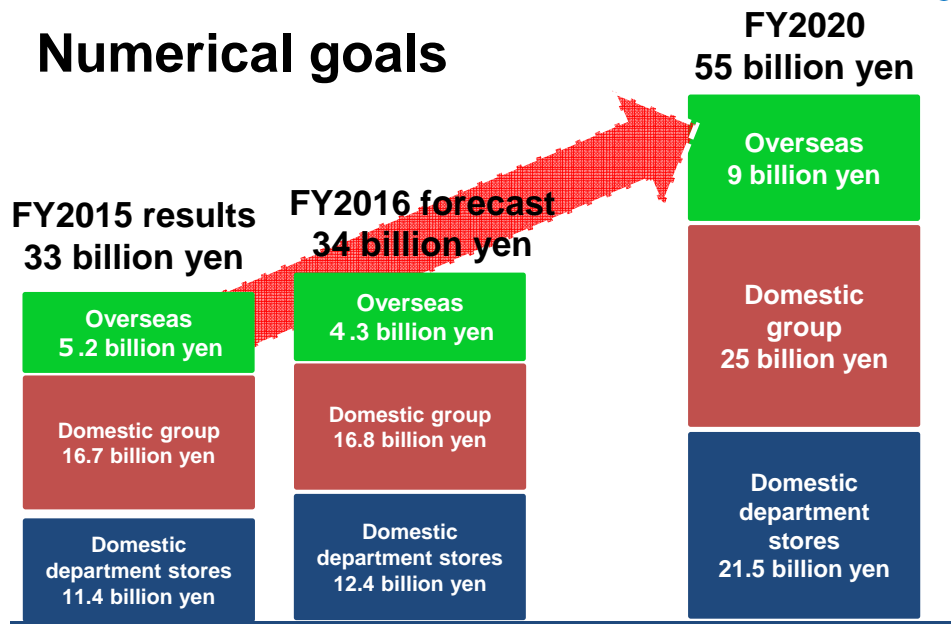
IV Long-term Business Plans of the Takashimaya Group (FY2016 FY2020)

Long-term business plans of the Takashimaya Group

Basic concept

- With a focus on domestic department stores, real estate and finance to be developed as second and third core business, respectively
- Strategically invest in growing businesses so as to create a good balance of group profits among businesses
- Achieve improvement in profitability, efficiency, and safety across group as a whole

Numerical goals



Long-term Plan: Numerical Goals

Pursue a growth strategy of strategically investing in real estate and finance businesses, focusing on strengthening sales among domestic department stores, with a view to achieving an operating profit of 55 billion JPY, and at least 8% ROE and 5% ROA

Numerical goals

	FY2020	Difference from FY2015
Operating revenue	1,080 billion JPY	+ 155 billion JPY
Operating income	55 billion JPY	+22 billion JPY
ROE	At least 8%	+2%
ROA	At least 5%	+1%
Investment growth	265 billion JPY	—
(Total investment	330 billion JPY	—)
Capital-to-asset ratio	46%	+5%

Long-term Plan: Basic Strategy

Domestic department store business

- With a view toward community development (“machi-dukuri”), improve competitiveness by building a business development model wherein each store develops in a manner that is tailored to the local community
- Establish a revenue structure that can withstand a further hike in consumption tax
Expand efforts in high growth/promising markets; focus on inbound demand, promote omni-channel, target wealthy clientele, etc.
Carry out structural reform of merchandising to improve product margin
Carry out structural reform of costs

(Unit: billion JPY)

Goal for FY2020	Operating revenue	2015 YOY	Operating income	2015 YOY	Investment growth
Domestic department store business	822	+7.4% +57	21.5	+89% +10	63

Long-term Plan: Basic Strategy

Domestic group business

- Toshin Development to steer group-wide efforts aimed at achieving further growth in real estate through the “machi-dukuri” strategy
- Develop and expand airport-style duty-free business
- Develop finance business as a new core business

(Unit: billion JPY)

Goal for FY2020	Operating revenue	2015 YOY	Operating income	2015 YOY	Investment growth
Domestic group business	204	+41% +59	25	+50% +8	142

Overseas business

- Carry out business area expansion in Asian market

Goal for FY2020	Operating revenue	2015 YOY	Operating income	2015 YOY	Investment growth
Overseas business	118	+58% +43	9	+73% +4	60

V Corporate Governance and Shareholder Return

Corporate Governance and Shareholder Return

Corporate governance

Amid the increasing market interest in corporate governance and implementation of codes, the group will further strengthen its existing initiatives in pursuit of sustainable growth and permanent corporate value

Shareholder return

The group will examine the ideal form of shareholder return, considering both financial health and capital efficiency, and also taking into account the various conditions for maintaining a stable dividend scale.

VI CSR Management Promotion

CSR Management

The group will endeavor to improve the quality of CSR management with a view to meeting the needs of an increasingly diversified and sophisticated society and contributing to such a society through its core business based on its management philosophy of “From the people, always.”

- **Thoroughgoing compliance that reflects consumer protection standards**

Protection of private information, quality management systems, system for managing display of allergen information, etc.

- **Creation of a positive working environment in which employees can achieve a work-life balance**

Review working hours, make workplace friendly to those involved in caring for family members, promote the appointment of women to managerial positions, etc.



Statements contained herein regarding cost and revenue projections reflect our judgment based on information currently available, and involve a number of risks and uncertainties. It should be noted that actual results could differ materially from the cost and revenue projections stated herein due to a variety of factors.