

2018/02 Financial Results (FY2017)



April 9, 2018

- 
- 1. Financial Results
FY Ending Feb 2018
(FY2017)**
 - 2. Takashimaya Group's
Growth Strategy**
 - 3. Projections for
FY Ending Feb 2019
(FY2018)**

Consolidated Performance

- Operating revenue increased due to the strong performance of domestic department stores, new business, and the full-year revenue contribution of Takashimaya Vietnam, but it fell short of the targeted figure
- Operating income increased among domestic department stores and other areas, but it decreased on the whole due to factors such as lower income in Takashimaya Space Create (a subsidiary)

(billion JPY)	Full year	Year-on-year		Change from projection*	
Operating Revenue	949.6	+26.0	+2.8%	-1.4	-0.2%
SG&A Expenses	246.0	+5.1	+2.1%	+1.0	+0.4%
Operating Income	35.3	+1.3	+3.9%	-0.7	-1.9%
Ordinary Income	38.6	+1.4	+3.7%	-0.4	-1.0%
Net Income	23.7	+2.8	+13.4%	+0.7	+2.9%

Performance of the Domestic Department Store Segment

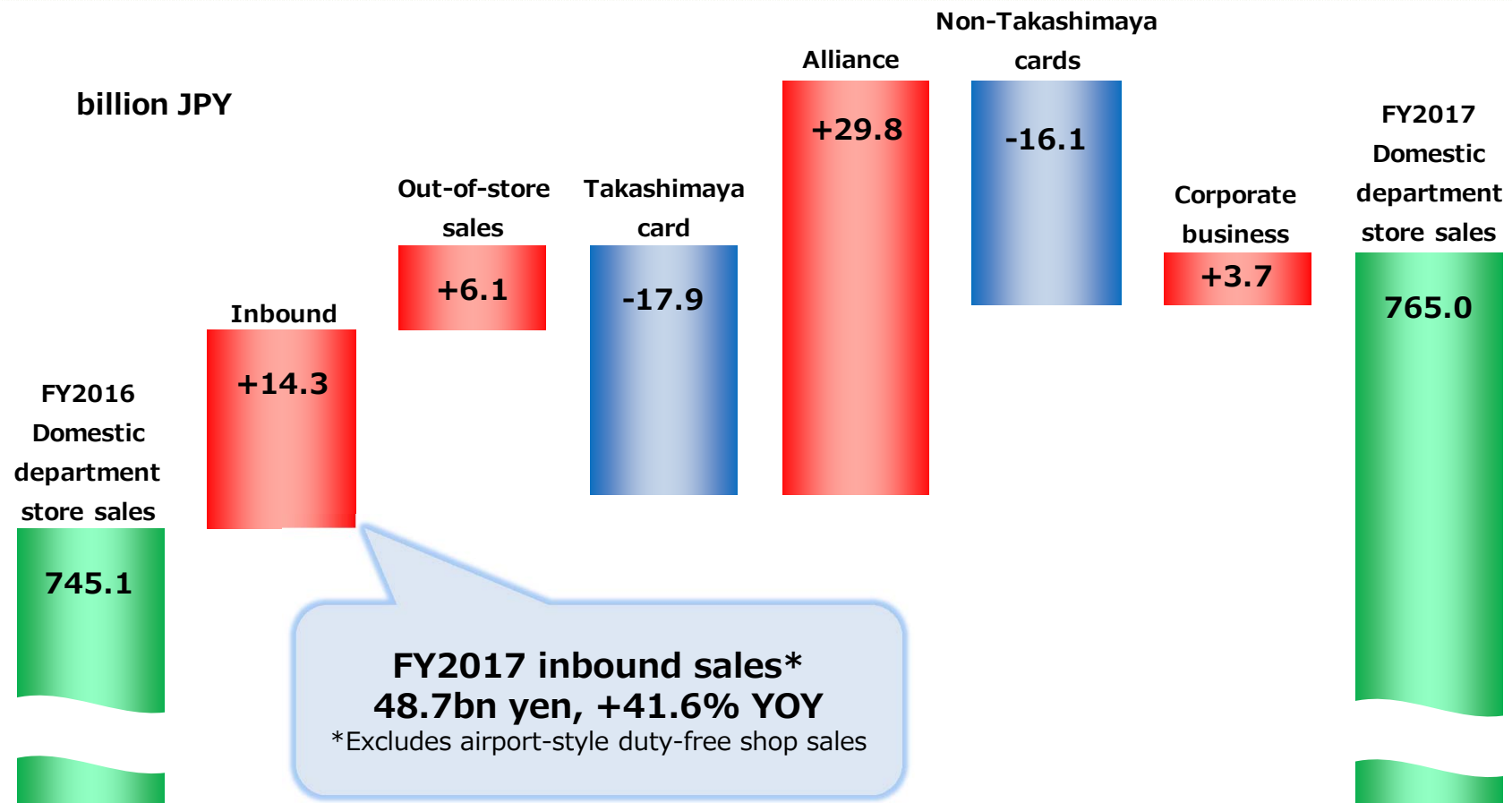
- Operating revenue improved and exceeded target, reflecting strong inbound sales and stable domestic consumption
- Gross margin declined amid strong inbound sales and low-rate corporate business
- Operating income, ordinary income, and net income improved and exceeded the targeted figures because of increased revenue

(billion JPY)	Full year	Year-on-year		Change from projection*	
Operating Revenue	778.6	+21.5	+2.8%	+5.0	+0.6%
Sales	765.0	+19.9	+2.7%	+4.9	+0.6%
Gross Margin	24.06%	-0.18		+0.02	
SG&A Expenses	184.0	+2.2	+1.2%	+0.7	+0.4%
Operating Income	13.6	+2.8	+26.2%	+0.7	+5.6%
Ordinary Income	15.9	+2.5	+18.7%	+0.5	+3.5%
Net Income	9.1	+4.5	+99.8%	+0.9	+10.7%

Note: Comparison between projected and actual figures is based on the targeted figures announced on October 10, 2017.

Domestic Department Store Sales

- Domestic department store sales increased by approximately 20 billion yen thanks to strong inbound, out-of-store, and alliance member sales, as well as improved corporate business



SG&A Expenses in the Domestic Department Store Segment

- Personnel related expenses increased 600 million yen year-on-year in line with target despite an increase in social insurance
- General affairs expenses increased 700 million yen year-on-year because higher revenue resulted in increased sales-linked costs
- Excluding the expenses associated with reforming the rental system of Shinjuku Store, the actual accounting related expenses decreased 900 million yen year-on-year

(billion JPY)	Full year	Year-on-year		Change from projection*	
Personnel related expenses	61.8	+0.6	+0.9%	-0.2	-0.4%
Advertising expenses	25.7	+0.1	+0.3%	-0.0	-0.1%
General affairs expenses	66.3	+0.7	+1.1%	+1.0	+1.5%
Accounting related expenses	30.2	+0.8	+2.9%	-0.0	-0.2%
Total	184.0	+2.2	+1.2%	+0.7	+0.4%

Note: Comparison between projected and actual figures is based on the targeted figures announced on October 10, 2017.

Performance of Each Company (Domestic)

- Toshin Development posted an increase in revenue and profits following strong apartment sales
- Takashimaya Credit posted an increase in revenue and profits following the success of its proactive sales promotion strategy
- Takashimaya Space Create experienced a significant decrease in revenue and profits because of a reactionary decline following last year's major orders, as well as a timing difference in orders

(billion JPY)	Operating Revenue	Year-on-year	Change from projection*	Operating Income	Year-on-year	Change from projection*
Toshin Development Co., Ltd.	52.3	+7.7	-2.7	9.0	+0.2	-0.3
		+17.3%	-4.9%		+2.3%	-2.8%
Takashimaya Credit Co., Ltd.	18.5	+0.8	-0.0	4.5	+0.1	+0.1
		+4.5%	-0.2%		+1.7%	+1.4%
Takashimaya Space Create Co., Ltd. (including Takashimaya Space Create Tohoku)	29.9	-5.2	-5.2	1.2	-1.1	-1.0
		-14.9%	-14.8%		-48.4%	-45.8%

Performance of Each Company (Overseas)

- The Singapore business posted an increase in revenue and profits following an economic upturn and the processing of the previous year's rents
- Shanghai Takashimaya maintained its revenue growth thanks to the success of its sales strategies, which included introducing a new tenant
- Takashimaya Vietnam shrank its deficit as expected

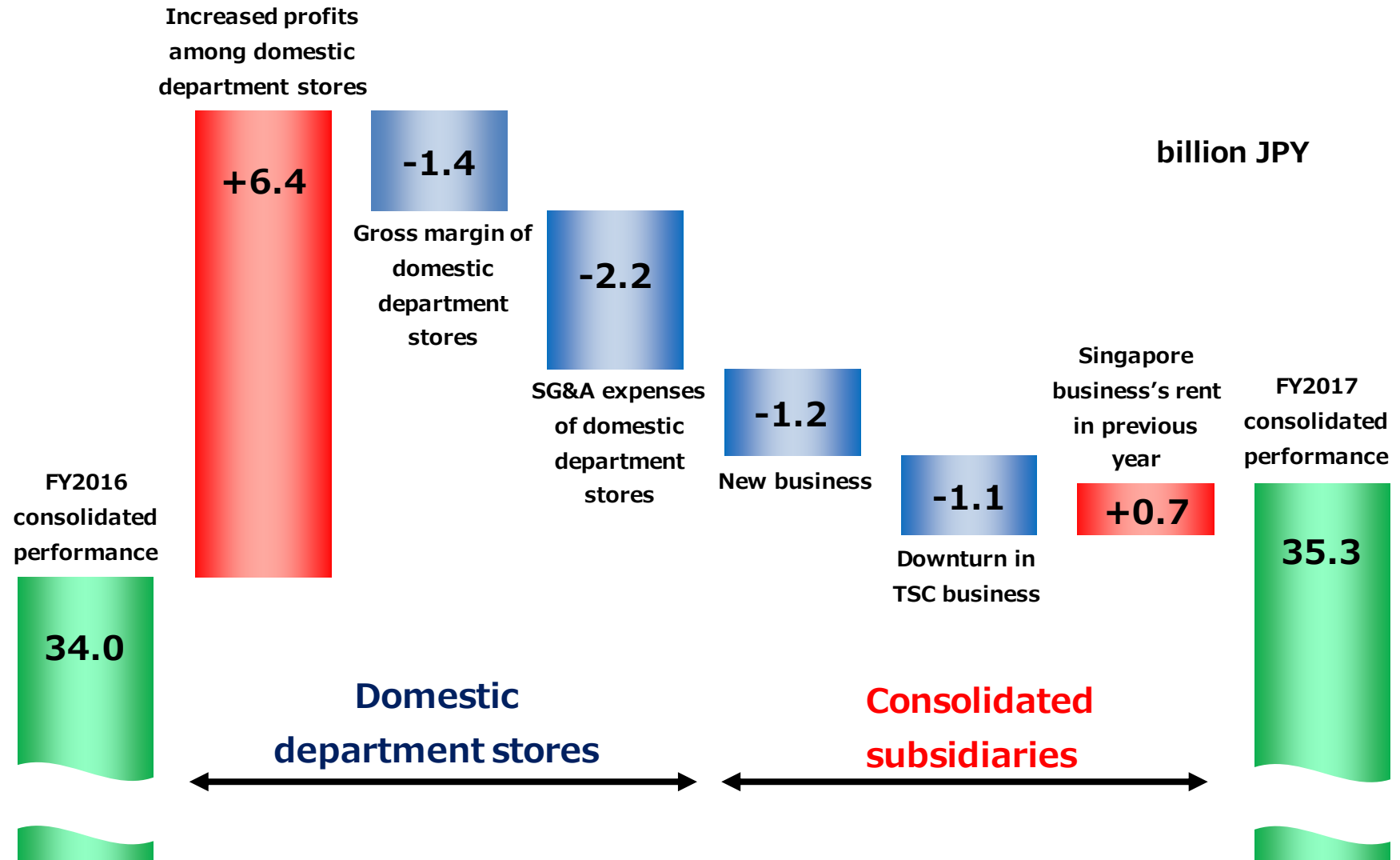
(billion JPY)	Operating Revenue	Year-on-year	Change from projection*	Operating Income	Year-on-year	Change from projection*
Takashimaya Singapore Ltd. (Local currency basis)	52.5 644 mil.	+1.8 +3.5%	+0.9 +1.7%	3.6 44 mil.	+0.5 +14.9%	+0.5 +14.5%
Toshin Development Singapore Pte, Ltd. (Local currency basis)	9.0 110 mil.	+0.2 +1.9%	+0.0 +0.5%	2.5 30 mil.	+0.1 +6.1%	+0.2 +6.8%
Total sales	9.7	+1.0	+0.1			
Shanghai Takashimaya Co., Ltd. (Local currency basis)	7.0 421 mil.	+0.7 +10.6%	-0.0 -0.3%	-1.1 -69 mil.	-0.2 -	+0.0 -
Takashimaya Vietnam (Local currency basis)	4.4 909.4 bil.	+2.5 +139.9%	+0.1 +1.5%	-0.3 -58.6 bil.	+0.2 -	+0.03 -


Exchange rate: 1SGD=81.50JPY 1CNY=16.62JPY 1VND=0.0048JPY

Total sales: The sum of Shanghai Takashimaya sales and tenant sales

Note: Comparison between projected and actual figures is based on the targeted figures announced on October 10, 2017.

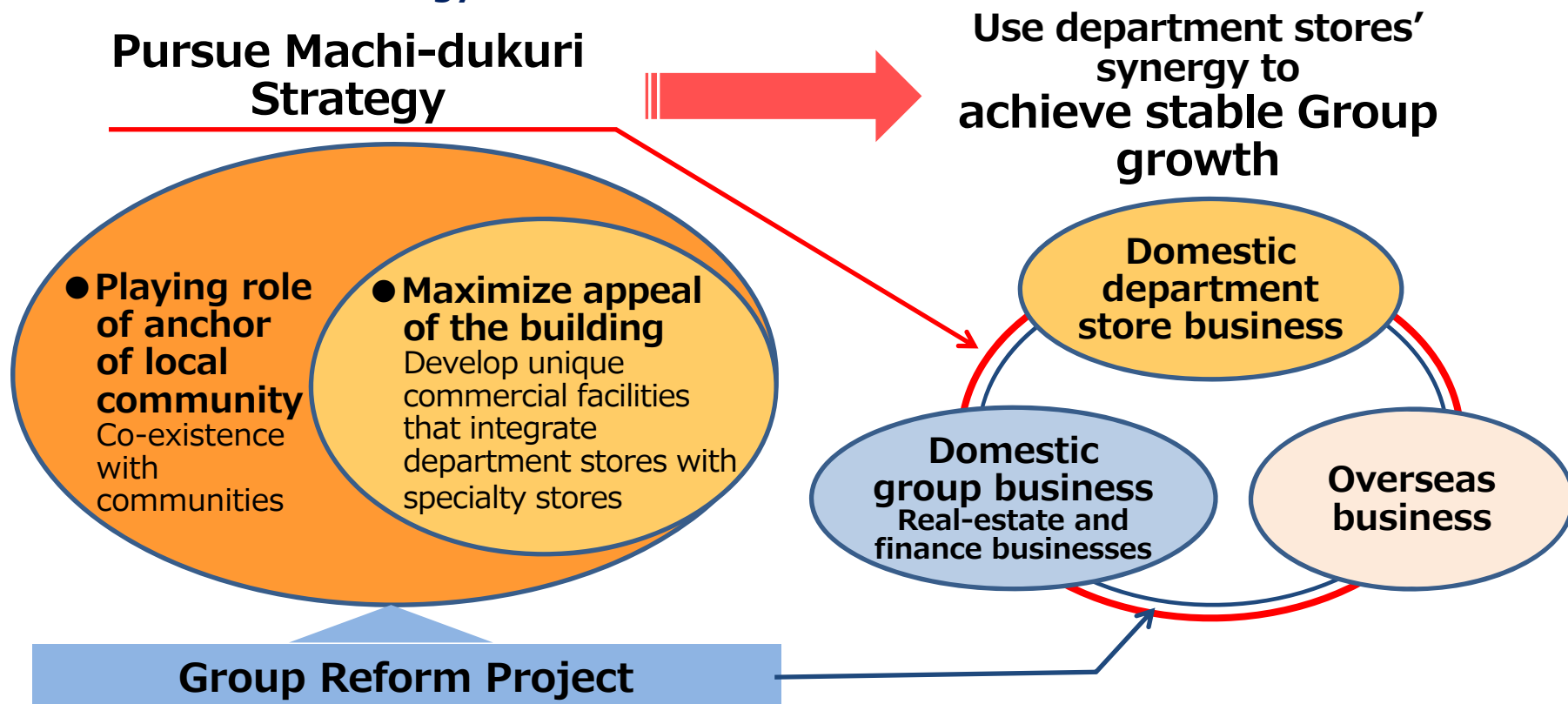
Factors Contributing to Changes in Consolidated Performance



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Takashimaya Group's Growth 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
 - ✓ Pursue Group Reform Project to improve management efficiency and underpin Machi-dukuri Strategy



Long-term Business Plans of the Takashimaya Group

- Achieve industry-leading earning power, efficiency, and stability

	FY2017	FY2022	Change from FY2017
Operating Revenue	949.6 billion yen	1,033.0 billion yen	+83.4 billion yen
Operating Income	35.3 billion yen	50.0 billion yen	+14.7 billion yen
ROE	5.6%	>7%	+1.4%
ROA	3.8%	4.5%	+0.7%
Capital-to-asset ratio	42.4%	47.5%	+5.1%
Operating cash flow	280.0 billion yen		
Investment cash flow	-270.0 billion yen		
Financial cash flow	-30.0 billion yen		
Interest-bearing debt	170.0 billion yen		

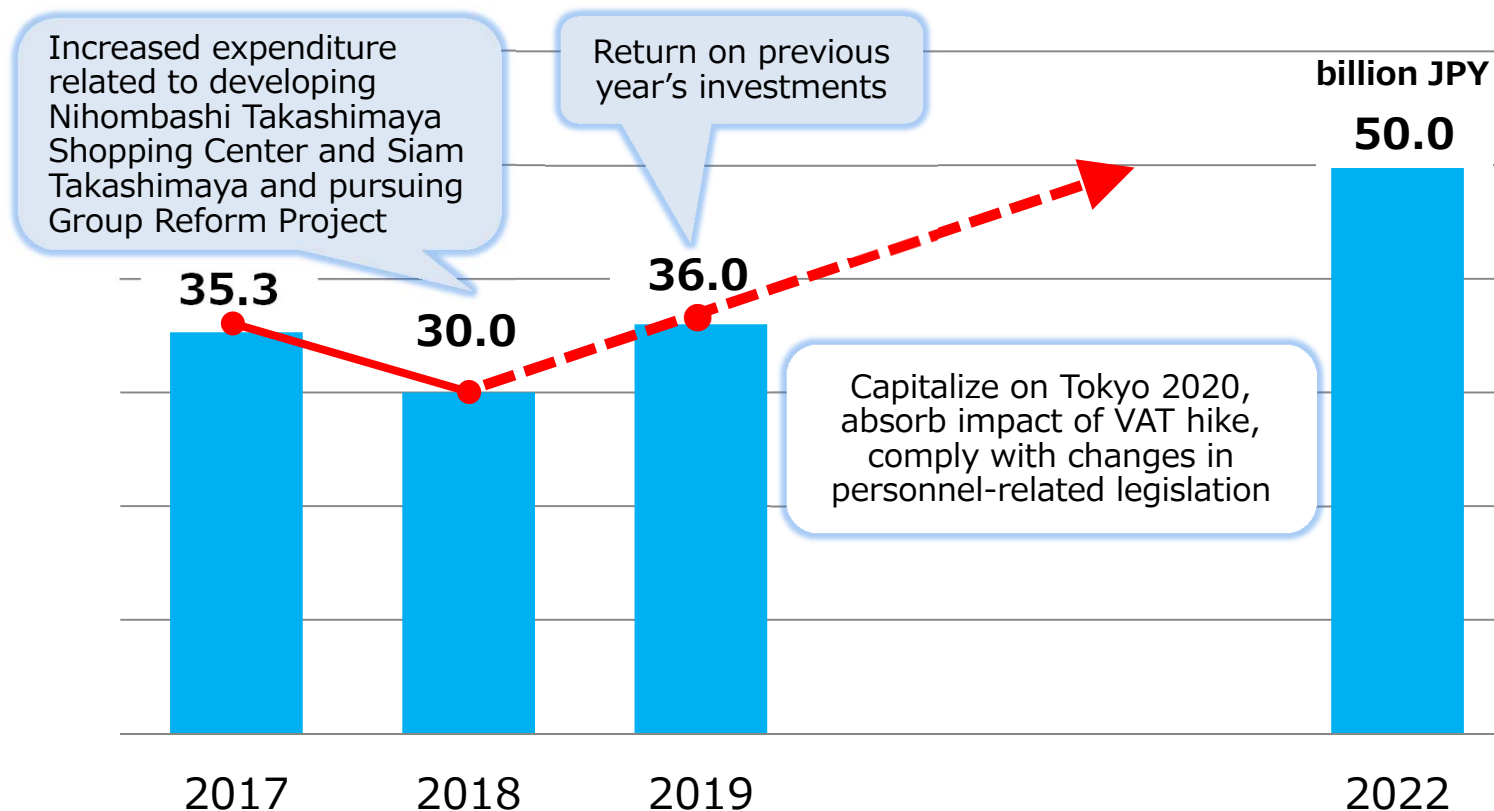
Long-term Business Plans of the Takashimaya Group in Each Business

- Domestic department stores will increase profits by reforming management/business structure
- The domestic subsidiaries will pursue development by positioning financial business as a core business alongside real estate
(Operating income targets:
Real estate business = 14 billion yen Financial business = 8 billion yen)
*Including overseas real-estate *Including Takashimaya Tomonokai and Takashimaya Hoken
- Overseas, we will expand business in Asia using Singapore as a hub

	Operating revenue	2017 YOY change	Operating income	2017 YOY change	Growth strategy investment
Domestic department stores	788.0 billion yen	+9.4	17.0 billion yen	+3.4	60.5 billion yen
Domestic subsidiaries	190.0 billion yen	+29.4	25.0 billion yen	+9.1	60.0 billion yen
Overseas	112.0 billion yen	+38.1	8.0 billion yen	+3.4	32.0 billion yen
Safety and security systems, etc.					127.5 billion yen
Total	1,033 billion yen	+83.4	50.0 billion yen	+14.7	280.0 billion yen

Long-term Business Plans of the Takashimaya Group: Change over time

- **FY2018:** Increased expenditure with forward-investments for future growth
- **FY2019:** Return on investment, recovery in performance
- **FY2020-:** Progress toward target, absorbing impact of tax rises



Capital Strategy

- **Basic approach**

Place importance on balancing future growth-oriented investment with shareholder return so as to achieve both financial health and capital efficiency

Financial health: Long-term indicator = Capital-to-asset ratio

FY2022: 47.5%

Capital efficiency: Long-term indicator = ROE

FY2022: >7%

- **Shareholder return**

The group will implement the ideal form of shareholder return and also taking into account the various conditions for maintaining a stable dividend scale

Corporate Governance

- **Treat corporate governance as a management priority and pursue the necessary measures**
- ✓ **Continual analysis and appraisal aimed at strengthening the functions of the Board of Directors**

System of controls

1	Energize and enhance the Board of Directors by introducing an executive officer system
2	Streamline the process of decision-making and business execution by delegating authority to those responsible for executing business
3	Clarify the responsibilities of executive staff for each year by establishing one-year terms
4	Further incentivize executive performance by introducing an executive remuneration system
5	Ensure fairness and transparency by establishing nomination and compensation committees consisting of outside directors

Key proposals in February 2018 for enhancing the functions of the Board of Directors

- Allow more time to discuss the general direction of the Group-wide strategy
- Strengthen Group-wide internal controls and supervise business execution more thoroughly
- Nomination and compensation committees should be more active and coordinate more closely with the Board of Directors

Machi-dukuri Strategy

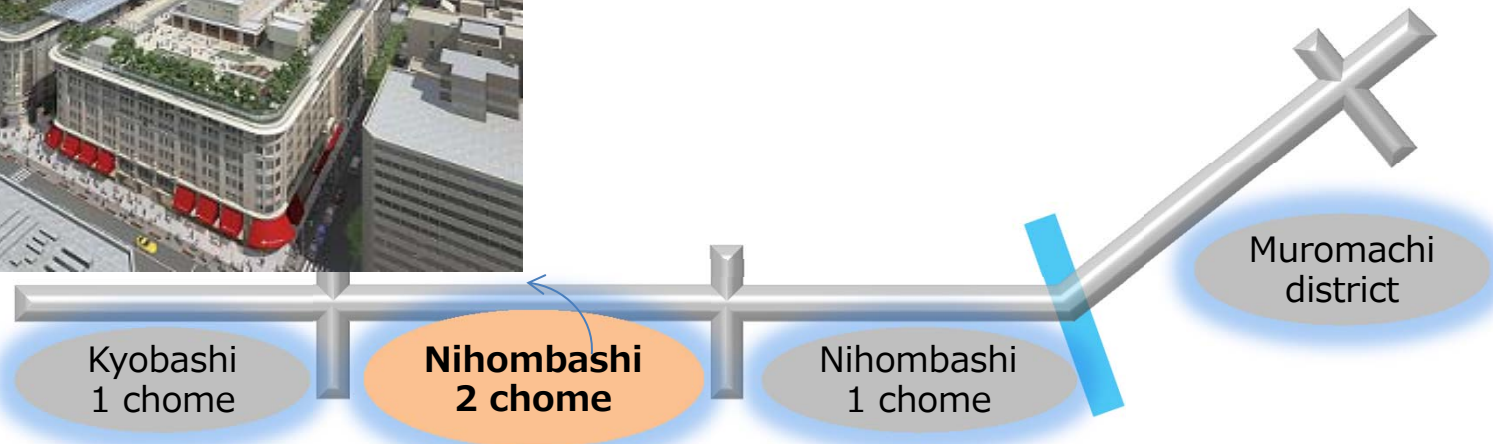
Nihombashi Takashimaya Shopping Center

- The birth of the 66,000m² Nihombashi Takashimaya Shopping Center in the heart of Tokyo

The shopping center will serve as an anchor in this developing area, drawing in visitors and making its presence felt



- September 2018 Opening of stores in galleria walkway in new wing
- Spring 2019 Re-opening of main building following renewal



*Image shows how the Nihombashi will look following redevelopment. Takashimaya is participating in the Nihombashi 2-Chome Type-I Urban Area Redevelopment Project

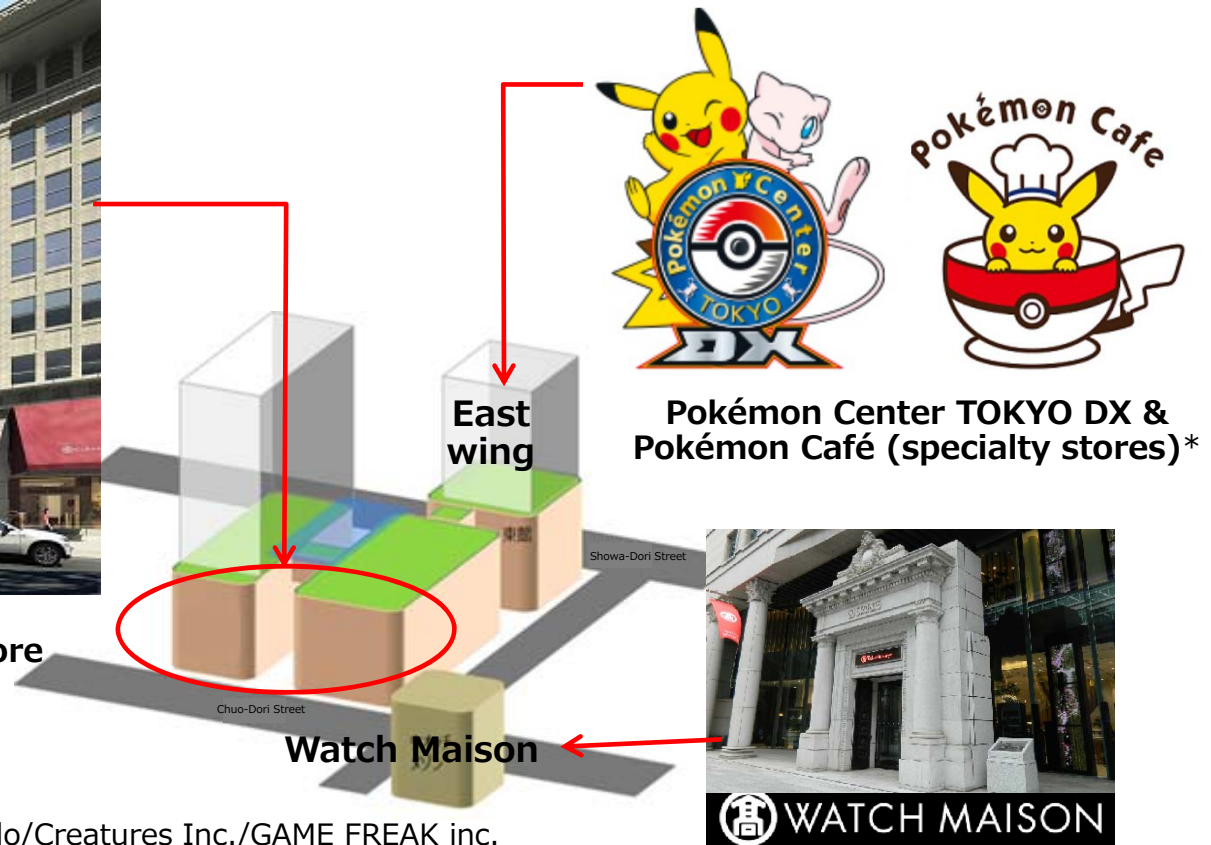
Machi-dukuri Strategy Nihombashi Takashimaya Shopping Center

- Increased floor space for the new wing, which serves as a specialty store area adjoining the main building; move to four-wing system
Use Group synergy to integrate department store with specialty stores and maximize appeal of the building
Achieve a commercial facility that three generations can enjoy throughout the day



New wing:
specialty stores

Main building:
department store



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Machi-dukuri Strategy

- Our 22 domestic and overseas commercial facilities* have engaged in 22 local Machi-Dukuri projects

*Refers to the more than 10,000 m² of commercial real-estate managed by the department stores and Toshin Development

• Shinjuku Takashimaya Times Square



- Increased the potential of the Shinjuku Expressway Bus Terminal area
- Increased operational freedom by owning real-estate
- Minimized operating costs by unifying building management under Toshin

• Yokohama Store



- Best store in area
- Secured firm area foundation together with Konandai Store, Shin-Yokohama Store and Ebina shops
- Commenced operation of multi-use hall (1200m²)

• Osaka Store



- Best store in area
- Group's most profitable store
- Refurbished Toshin-managed restaurant area

• Kyoto Store



- Best store in area
- Store to benefit from synergistic effect of adjoining Keihan facility BIO-Style (to open in 2019)

• Tamagawa Takashimaya shopping center



- Japan's first fully fledged shopping center
- Best facility in this 87,000m² area
- Visitors increased with development of station area

• Nagareyama Otakanomori Shopping Center



- A 40,000m² large shopping center managed by Toshin (opened Food Maison)
- Developed area under overhead walkway

• Takasaki Store



- Refurbished entire store last Autumn to coincide with redevelopment of station façade
- Best "regional store" in area

• Singapore Takashimaya Shopping Centre



- In conjunction with 25th anniversary, the store achieved a commanding position as hub for Asian development

Group Reform Project

- **Overhaul Group's business practices**
 - ✓ 8 projects, 24 deliberative sub-committees
 - ✓ Reform work processes to increase management efficiency; reinvest the savings in growth strategy

Redesign underlying systems

Develop client and product databases, develop base for external collaboration, create optimal IT infrastructure

Reform accounting and business processes

Make expenditures visible, optimize accounting processes

Admin/procurement reform

Go paperless,
reduce supply costs, etc.

Workstyle reform

Reform workstyles in stores and
offices, etc.

Personnel/organizational reform

Introduce time management system,
streamline attendance management

Sales promotion / marketing reform

NPS, EC, apps, etc.

Merchandising reform

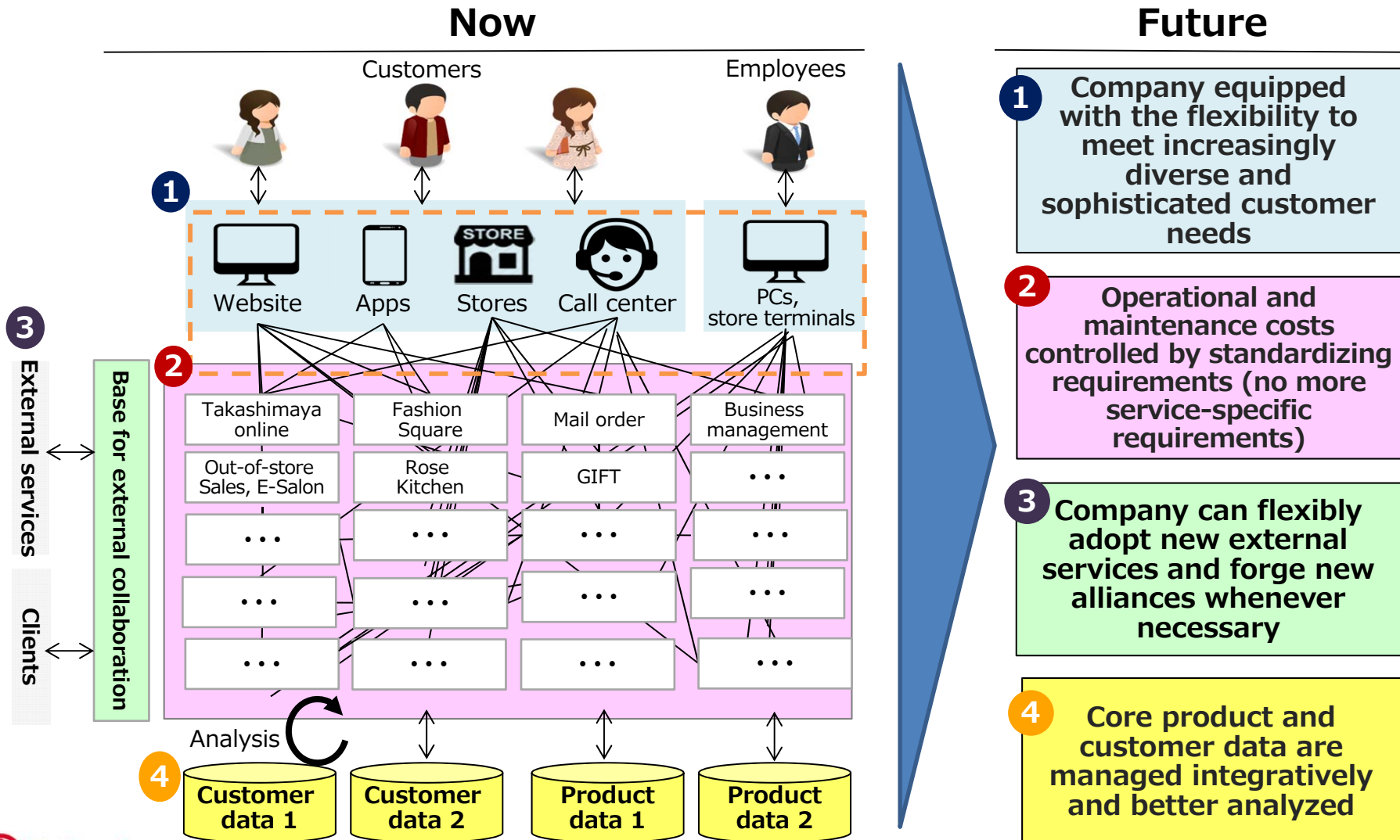
Sales selections,
inventory management, etc.

Finance business reform

Card business,
insurance business, etc.

Group Reform Project: Reform of work processes

- Redesign company-wide system, making it speedy and flexible

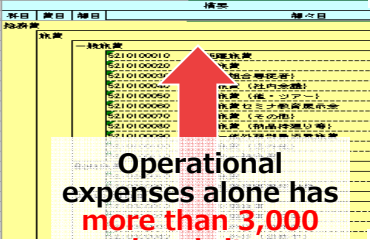


Group Reform Project: Reform of work processes

Optimize budget/results system by making expenditures visible


Now

(Example) General affairs: Repair costs



Operational expenses alone has more than 3,000 sub-sub-items

(Example) Accounting related expenses: Rents



Many separate facility names within master data

- More than 3,000 sub-sub-items under operational expenses
- Accounting rules vary between stores
- Many unused sub-items and sub-sub-items

Data cannot be analyzed effectively, making it difficult to identify wasteful expenditure

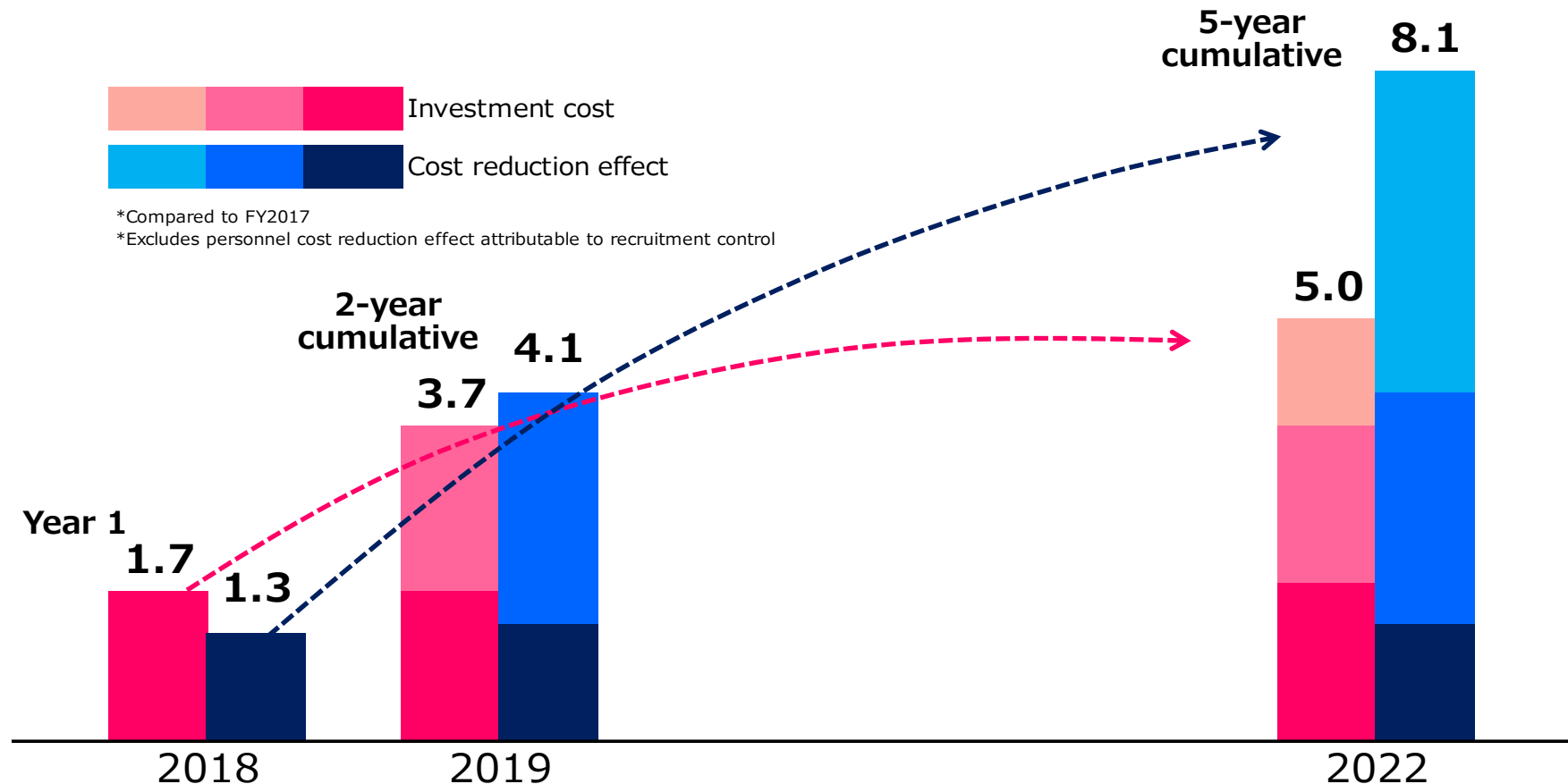
Future

- Accounting rules standardized, no more poorly maintained sub-sub-items, sub-level data management possible (data consolidated into approximately 400 sub-items)
- Analytical axes can be used to analyze granular data, making it possible to calculate ROI and manage budgets/results for each strategy or project

Granularity and axes are standardized, allowing effective analysis and budget/results management

Group Reform Project: Investment cost and ROI

- First, invest to provide for system improvements and project operation expenses
(5-year cumulative total investment: 12.8 billion yen)
- Investment cost to be absorbed and ROI to emerge from FY2019



Group Reform Project: Finance business reform

- Commence new businesses by leveraging ability to identify customer needs through analysis of customer data
- ✓ Expand finance business by providing a wide array of payment options through Takashimaya Credit
- ✓ Commence concierge and finance businesses through synergy with department store business

Expand existing finance business

Credit card (Takashimaya Credit)	<ul style="list-style-type: none"> • Diversify payment functions • Enhance card lineup
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Commence new businesses


Concierge	<ul style="list-style-type: none"> • Provide financial products (e.g., insurance) tailored to customer's life stage
Finance	<ul style="list-style-type: none"> • Provide finance options to suit a variety of customers' shopping needs




I was able to buy a handbag I thought I could never afford, and I could take it home straight away!

Image of insurance brochure



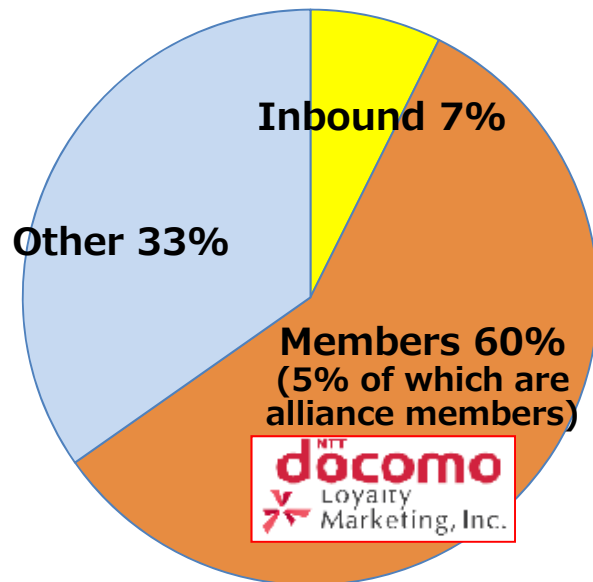
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- **Domestic Department Store Business**
 - Domestic Group Business
 - Overseas Business
 - CSR Management

Domestic Department Store Business: Grow customer base

- **Grow customer base by leveraging trustworthiness and direct connections**
 - ✓ Effectively capture inbound demand (FY2018 forecast: 56 billion yen, +15.1% YOY [excluding duty-free sales])
 - ✓ Through alliance strategy, expand targeted demographics and bring them into membership
 - ✓ Through Group Reform Project, improve customer satisfaction and pursue strategy for expanding points of connection

FY2017 sales by customer type



Group Reform Project

- Manage customer data in uniform manner, analyze the data more effectively
- Introduce **Net** Promoter Score with a view to strategically increasing customer satisfaction
- Regularly update Takashimaya apps



Domestic Department Store Business: Merchandising and selling power

- Enhance department stores' merchandising and selling power, creating synergistic effect with specialty stores
- ✓ Improve ability to discern merchandise with rarity value and curate merchandise thematically
- ✓ Flexibly develop appealing merchandise lineups that additionally cater to customers who do not visit the store
- ✓ In-store sales to be linked with e-commerce

Synergistic effect

Department Stores

- Introduce discerningly selected merchandise
- Develop item-curated sales spaces

Specialty stores

- Introduce trending shops
- Introduce experiential ("koto") products

*Sales services to be unified

Strengthens

Example: Sen-i Miraijuku



Suit Closet – a sales space for working women



Underpinned by:

Group Reform Project

- Visualize needs, including those of customers who do not visit the store
- Unify data management, in-store sales linked with e-commerce

Domestic Department Store Business: Cultural activities


- Continue organizing cultural activities to enrich people's lives
 - ✓ Proactively organize cultural events, use cultural foundation to support artists and cultural organizations
 - ✓ Refurbish the museum in Takashimaya Osaka's East Wing, plan to open "Everyday life culture museum (tentative name)" in Nihombashi Takashimaya Shopping Center



Photographer Kyoichi Sawada:
"In the photographer's gaze"



Refurbish the museum as part of the project to renovate Takashimaya Osaka's East Wing (to commence in 2019)

- 
- Domestic Department Store Business
 - **Domestic Group Business**
 - Overseas Business
 - CSR Management

Real Estate Business (Commercial Development)

Toshin Development / Toshin Development Singapore (TDS)

Projected operating income: 10.3 billion yen, -9.6% YOY

- ✓ **Pursue Machi-dukuri Strategy to develop stable base for future**
 - **Open Nihombashi Takashimaya Shopping Center**
Attract tenants into new wing and east wing, develop shopping center environment to enhance appeal of buildings
 - **Develop area around Nagareyama Otakanomori Shopping Center**
Pursue project to develop commercial facilities under TX station walkway
- ✓ **TDS projected to increase profits following upturn in Singapore economy**
- ✓ **Profits and revenue down this year because of reactionary decline from previous year as well as cost increases associated with Nihombashi development**



*New wing of Nihombashi Takashimaya Shopping Center, to be completed in September

Finance Business/ Contract & Design Business

Takashimaya Credit

Projected operating income of Finance business:
4.7 billion yen (+3.5% YOY)


- ✓ Profits and revenue to increase after gaining new members and promoting department store and alliance sales
- ✓ Analysis of customer data as part of Group Reform Project will underpin efforts to expand each business



Takashimaya Space Create

Projected operating income of Contract & Design business:
1.4 billion yen (+19.2% YOY)

- ✓ Favorable business environment will lead to strong orders
- ✓ Increase in design/construction orders related to Nihombashi 2-chome redevelopment project

- 
- Domestic Department Store Business
 - Domestic Group Business
 - **Overseas Business**
 - CSR Management

Overseas Business

Siam Takashimaya to open in October 2018

Following collaboration with major local player Siam Piwat, store to open in large scale mixed-use development facility
ICONSIAM

Target total sales for first year: 13 billion yen
(first year from opening)

- ✓ **Highly profitable business scheme will lead to profitability in second year**
- ✓ **Target middle-income segment and above, as well the 19 million+ tourists who visit each year**
- ✓ **Concept: A fusion of Takashimaya with the best of Thailand**



Overseas Business

Singapore business

- ✓ Upturn in performance following improvement of Singapore economy
- ✓ Project to commemorate 25th anniversary
- ✓ Singapore rapidly growing as Group's Asian hub



Overseas Business

Shanghai Takashimaya


- ✓ Leveraging the features of a Japanese-style department store will lead to double-digit sales growth
- ✓ Surrounding area will improve with development of adjacent commercial facilities
- ✓ Maintain efficient management to achieve early profitability



*Shanghai Takashimaya
(March 2018)

Vietnam Business

- ✓ Transition to be achieved ahead of schedule through partnership and joint management with Keppel Land
- ✓ Aim for early profitability while considering future expansion

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- Domestic Department Store Business
 - Domestic Group Business
 - Overseas Business
 - **CSR Management**

CSR Management

- In line with management philosophy, engage in projects that contribute to a sustainable society
 - ✓ Create work environments that enable all employees to work vigorously
 - ✓ Improve kitchen environments to ensure that the food we provide is safe

2017 Prime Minister's award to commend leading companies where women shine



- Proactively recruiting women to management roles (30.4% of management roles held by women)
- Providing weekend / public holiday childcare services for employees (2017: Yokohama Store; 2018: Kyoto Store, etc.)

Improved kitchen environments



- Formulated the Takashimaya Standards for Kitchen Facilities
- Developed hygienic and comfortable temperature environment

CSR Management

Management philosophy, code of conduct

- **Unceasing efforts to protect the environment, stepping up measures to tackle environmental issues**
- ✓ Endeavoring to cut CO2 emissions through Nihombashi redevelopment project
- ✓ Encouraging eco-consciousness in day-to-day business activities, such as selecting eco-friendly product lineups
- ✓ Used stakeholder feedback to identify issues → Stepped up efforts to cut food waste

Cutting carbon emissions through Nihombashi redevelopment project




Left: Image of rooftop garden on the main building of Nihombashi Takashimaya Shopping Center
Right: Energy center (Taiyo Life Insurance Nihombashi Building)

Eco-consciousness in day-to-day business activities



Organic (no pesticides/fertilizer) rice and vegetables of Takashimaya Farm (a shop featuring a selection of tasty products)

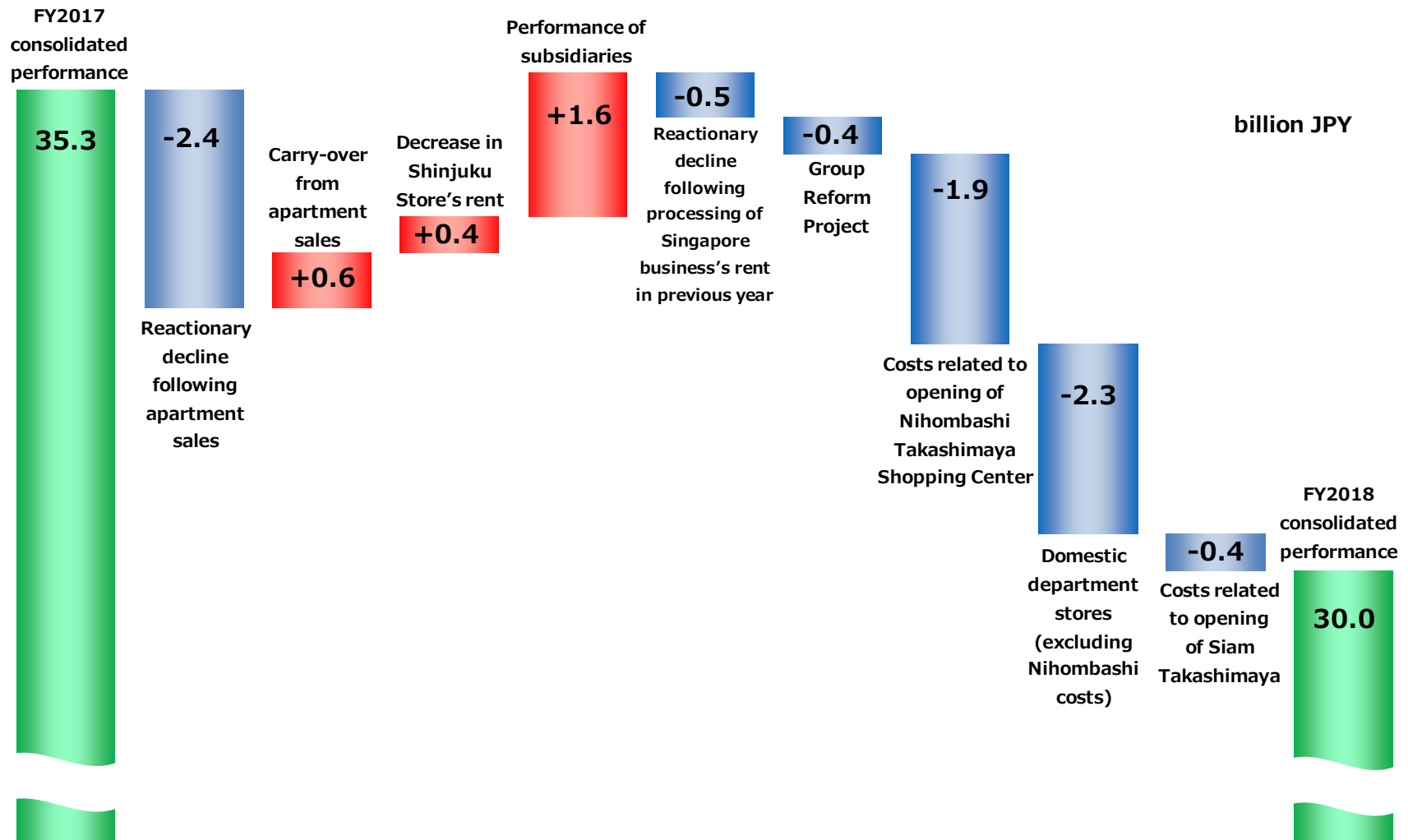
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Consolidated Cost and Revenue Projections

- Revenue to increase following higher earnings among domestic and overseas department stores coupled with the impact of Siam Takashimaya's opening
- Revenue will fall this year because of future growth-oriented expenditures, including Nihombashi Takashimaya Shopping Center and initial investment in the Reform Project

(billion JPY)	1H projection	Year-on-year		Full year projection	Year-on-year	
Operating Revenue	460.0	+7.0	+1.5%	965.0	+15.4	+1.6%
SG&A Expenses	125.3	+3.9	+3.2%	256.8	+10.8	+4.4%
Operating Income	12.0	-1.9	-13.6%	30.0	-5.3	-15.1%
Ordinary Income	14.0	-1.6	-10.5%	33.5	-5.1	-13.2%
Net Income	6.3	-2.7	-30.1%	18.5	-5.2	-21.8%

Factors Contributing to Changes in Projected Consolidated Operating Income



Consolidated Cash Flow Projections

- Operating cash flow to increase by 17.1 billion yen following improvement in working capital
- Investment cash flow to decrease by 27.7 billion yen following increased capital investment
- Financial cash flow to increase by 2.8 billion following rise in long-term borrowings
- End-of-period cash balance to decrease by 16.6 billion yen

(billion JPY)	Full year projection	Previous year	Year-on-year
Operating cash flow	54.0	36.9	+17.1
Investment cash flow	-90.0	-62.3	-27.7
Financial cash flow	17.0	14.2	+2.8
Change in current cash flow	-16.6	-8.7	-7.9
End-of-period cash balance	78.5	95.1	-16.6

Cost and Revenue Projections at Domestic Department Stores

- Revenue projected to increase given favorable inbound sales and sustained strong domestic personal consumption
- Profits projected to decrease following expenditure on the opening of Nihombashi Takashimaya Shopping Center and other forward-investments, as well as increased SG&A expenses
- Dividends from consolidated subsidiaries to be received in second half

(billion JPY)	1H projection	Year-on-year		Full-year projection	Year-on-year	
Operating Revenue	374.4	+0.1	+0.0%	781.9	+3.3	+0.4%
Sales	367.5	+0.0	+0.0%	767.7	+2.7	+0.3%
Gross Margin	24.07	-0.06		23.99	-0.07	
SG&A Expenses	92.4	+1.4	+1.6%	188.3	+4.3	+2.3%
Operating Income	3.0	-1.6	-34.2%	10.0	-3.6	-26.5%
Ordinary Income	5.2	-2.3	-30.8%	21.5	+5.6	+34.9%
Net Income	1.3	-3.2	-71.1%	14.6	+5.5	+61.3%

SG&A Expenses Projections at Domestic Department Stores

- Personnel related expenses to increase following rise in bonuses and wages and absorption of subsidiary employees
- Advertising expenses and general affairs expenses to be affected by expenditure on the opening of Nihombashi Takashimaya Shopping Center and other forward-investments

(billion JPY)	1H projection	Year-on-year		Full-year projection	Year-on-year	
Personnel related expenses	31.3	+1.2	+4.0%	63.8	+2.0	+3.2%
Advertising expenses	12.6	+0.2	+2.0%	26.1	+0.4	+1.6%
General affairs expenses	33.7	+0.7	+2.0%	68.4	+2.1	+3.2%
Accounting related expenses	14.8	-0.7	-4.3%	30.0	-0.2	-0.7%
Total	92.4	+1.4	+1.6%	188.3	+4.3	+2.3%

Cost and Revenue Projection of Each Company (Domestic)

- Toshin Development will see a decline in revenue and profit because of a reactionary downturn from last year's apartment sales
- Takashimaya Credit is projected to increase its revenue and profit as a result of its sales strategies, including gaining new members and having department stores and alliance stores promote sales together
- Takashimaya Space Create is projected to increase its revenue and as a result of its sales efforts

(billion JPY)	Operating Revenue	Year-on-year	Operating Income	Year-on-year
Toshin Development Co., Ltd.	45.4	-6.9 -13.2%	7.9	-1.1 -12.2%
Takashimaya Credit Co., Ltd.	19.1	+0.6 +3.5%	4.7	+0.2 +3.6%
Takashimaya Space Create Co., Ltd. (including Takashimaya Space Create Tohoku)	32.1	+2.2 +7.5%	1.4	+0.2 +19.2%

Cost and Revenue Projection of Each Company (Overseas)

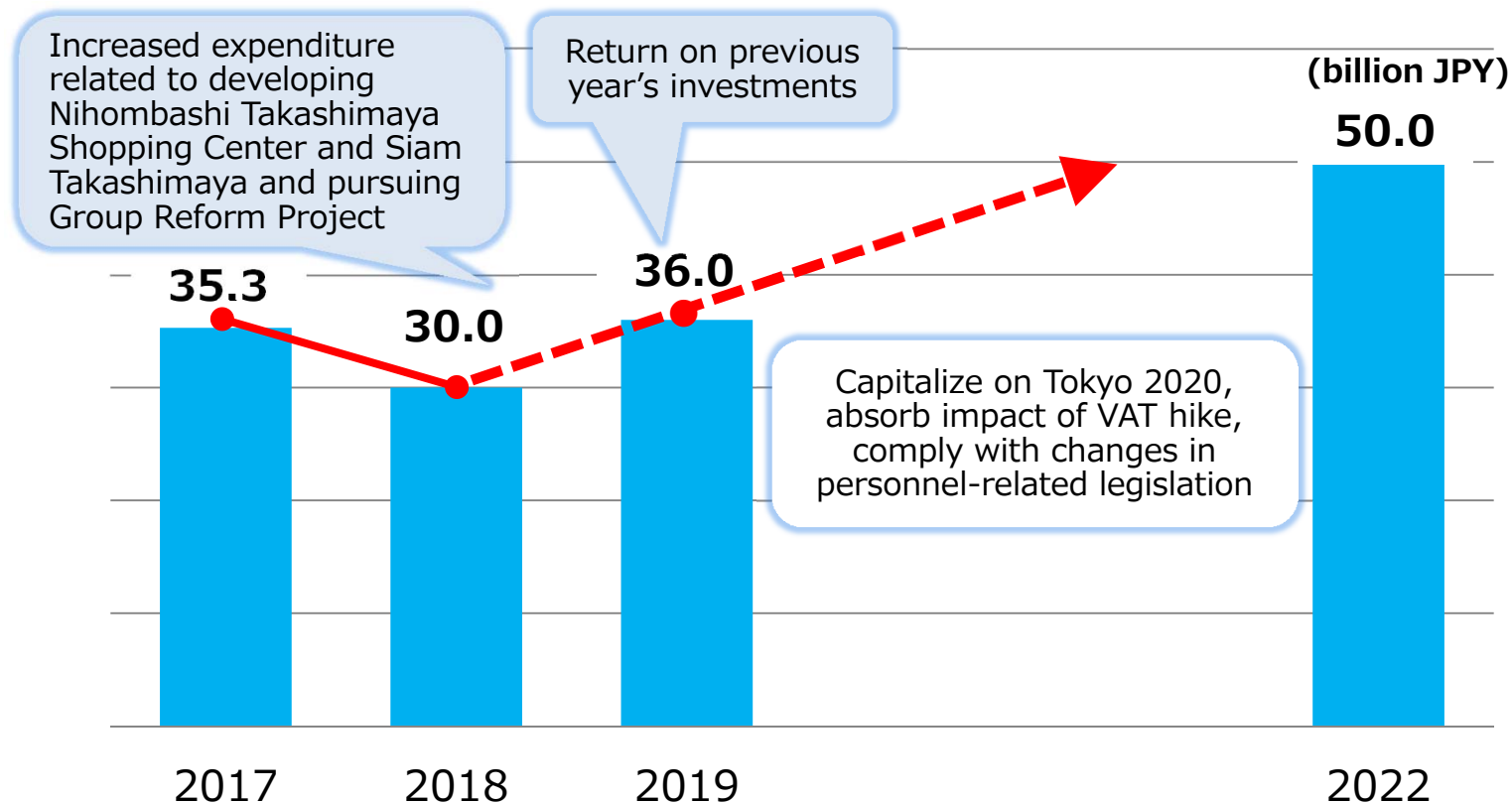
- The Singapore business is projected to achieve revenue growth as result of improved local economic conditions and the plan to commemorate the store's 25th anniversary, but profits will decline because of a reactionary decline following processing of Singapore business's rent in previous year
- Shanghai Takashimaya and Takashimaya Vietnam are projected to achieve revenue growth and shrink their debts

(billion JPY)	Operating Revenue	Year-on-year		Operating Income	Year-on-year	
Takashimaya Singapore Ltd.	54.0	+1.5	+2.9%	3.2	-0.4	-10.6%
(Local currency basis)	663 mil.	+19 mil.	+2.9%	40 mil.	-5 mil.	-10.6%
Toshin Development Singapore Pte, Ltd.	9.1	+0.1	+1.2%	2.3	-0.1	-5.9%
(Local currency basis)	111 mil.	+1 mil.	+1.2%	29 mil.	-2 mil.	-5.9%
Total sales	11.0	+1.3	+13.3%			
Shanghai Takashimaya Co., Ltd.	8.0	+1.0	+14.3%	-0.8	+0.3	-
(Local currency basis)	469 mil.	+47 mil.	+11.2%	-50 mil.	+19 mil.	-
Takashimaya Vietnam	4.7	+0.3	+7.2%	-0.3	+0.0	-
(Local currency basis)	974.6 bil.	+65.2 bil.	+7.2%	-55.0 bil.	+3.6 bil.	-

Exch ange rate: 1SGD=81.50JPY 1CNY=17.09JPY 1VND=0.0048JPY

Finally

In FY2018, we will strengthen the foothold for our Growth Strategy, and in FY2019, we will get back on the recovery path



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.