



Medium-Term Management Plan (FY2024 to FY2026)

Towards our 200th Anniversary in 2031

April 12, 2024

Takashimaya Co., Ltd.

Agenda

- I. At look back on the previous Medium-Term Management Plan (FY2021 to FY2023)
- II. The Takashimaya Group Grand Design
-Ideal Position for 2031-
- III. Medium-Term Management Plan (FY2024 to FY2026)

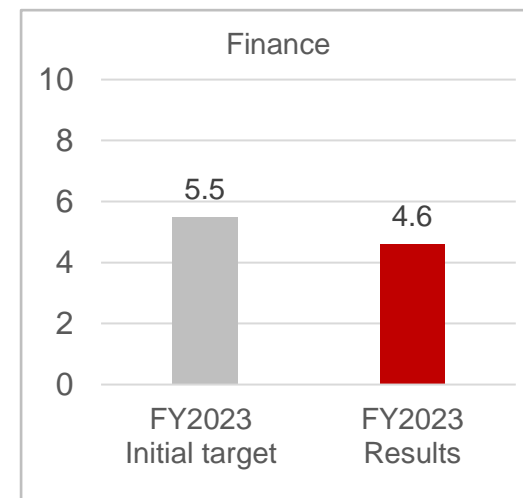
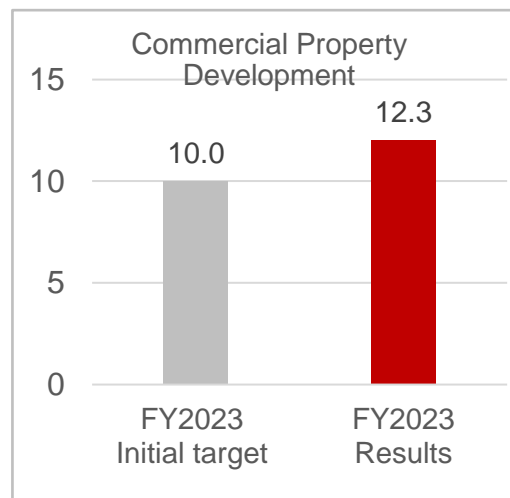
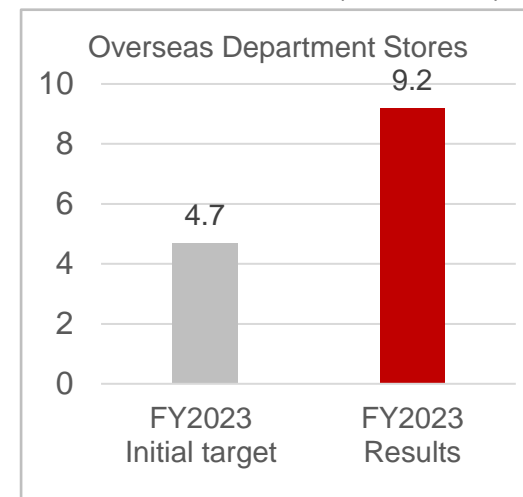
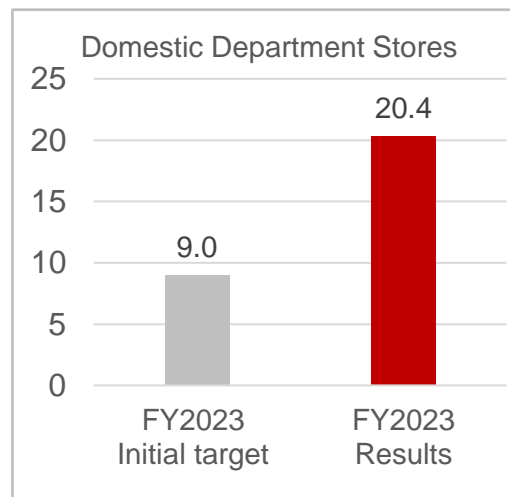
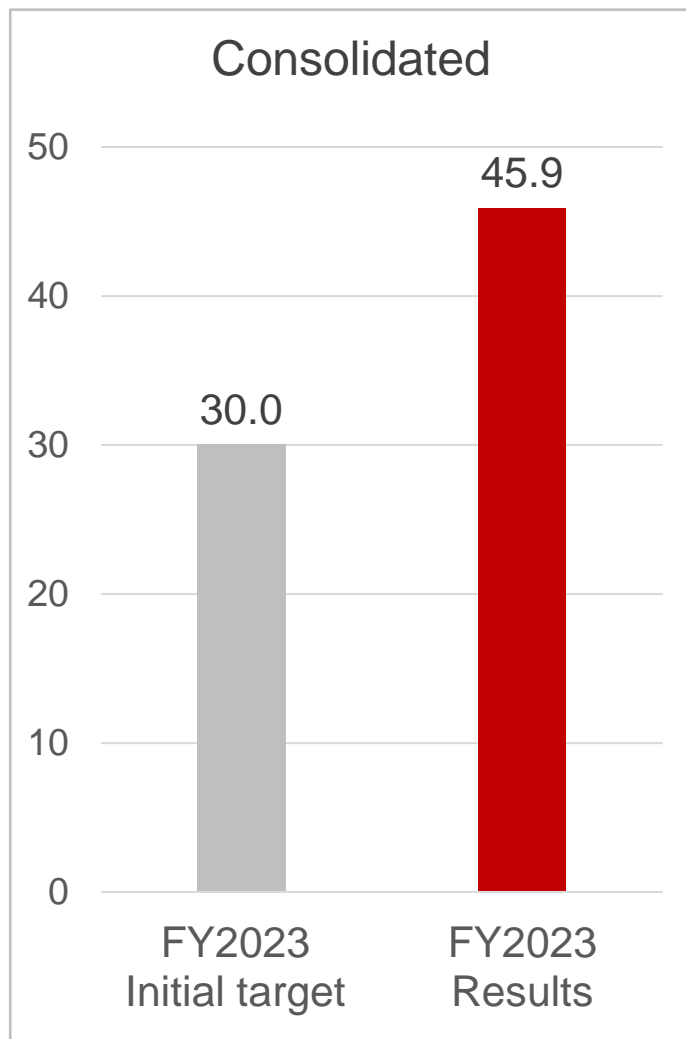
I. At look back on the previous Medium-Term Management Plan (FY2021 to FY2023)

1. Trends in Consolidated Operating Profit

At look back on
the previous MTMP

FY2023 consolidated operating profit was ¥45.9 bn
Significantly outperformed initial target of ¥30.0 bn

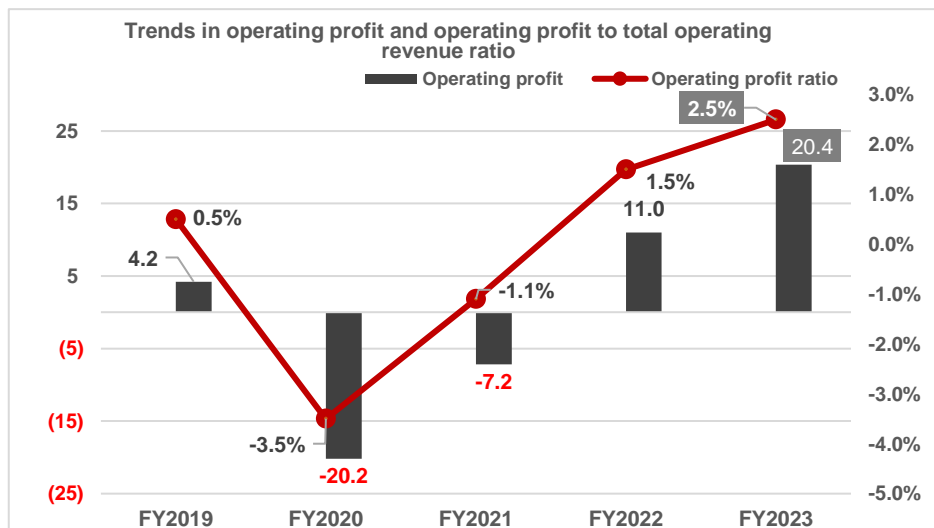
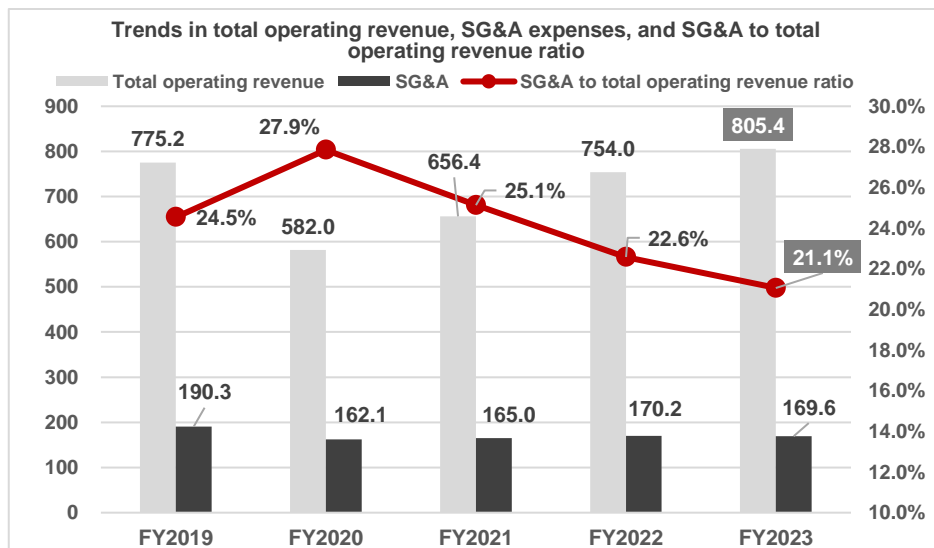
(billion JPY)



2. Structural Reforms for Department Stores in Japan

At look back on the previous MTMP

Convert to management structure capable of generating stable profits by making the department stores more profitable and improving productivity



II. The Takashimaya Group Grand Design -Ideal Position for 2031-

1. The Takashimaya Group Grand Design | Ideal Position for 2031

Ideal position for the Takashimaya Group in 2031

A familiar platform that helps achieve fulfilling lifestyles for all our stakeholders

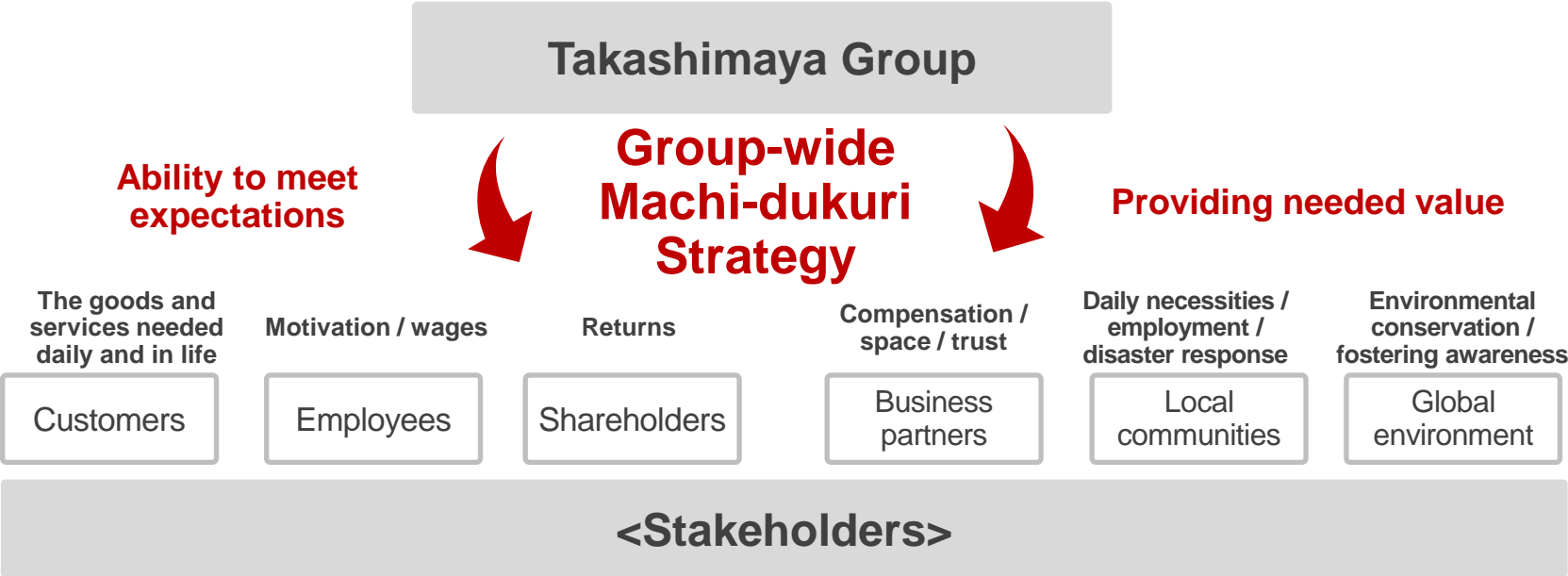
- Our customers, employees, shareholders, and local communities -

7-Point Vision for the Future		Page in MTMP
Group Position	All Group members work to increase Takashimaya Group brand value through Machi-dukuri and apply that towards external competition to achieve Group growth	P23-30
Overseas expansion	Expand overseas business, exert Group synergy Grow Vietnam into second pillar after Singapore	P23
Direction of strategy	Fulfill role as community anchor and create a new one-stop solution unique to the Takashimaya Group	P24
Value provision	Maximize appeal of properties through experiential value rooted in originality (rare and innovative), culture, and fun	P26, 27
Methods of providing value	Respond to diverse needs by fusing and incorporating the warmth of the brick-and-mortar experience with the convenience of the online experience	P30
Increase appeal as a place to work	The company and individuals resonating to achieve growth together to create a corporate culture that generates appeal as a workplace and promotes retention	P20, 21
ESG Management	Position the global environment as a new stakeholder and serve as social infrastructure working towards both sustainable communities and corporate growth	P15-18

2. The Takashimaya Group Grand Design | Ideal position for 2031

Group vision: A familiar platform that helps achieve fulfilling lifestyles

A platform that contributes to providing the value needed to achieve fulfilling lifestyles. A place that serves as a hub where people meet and connect

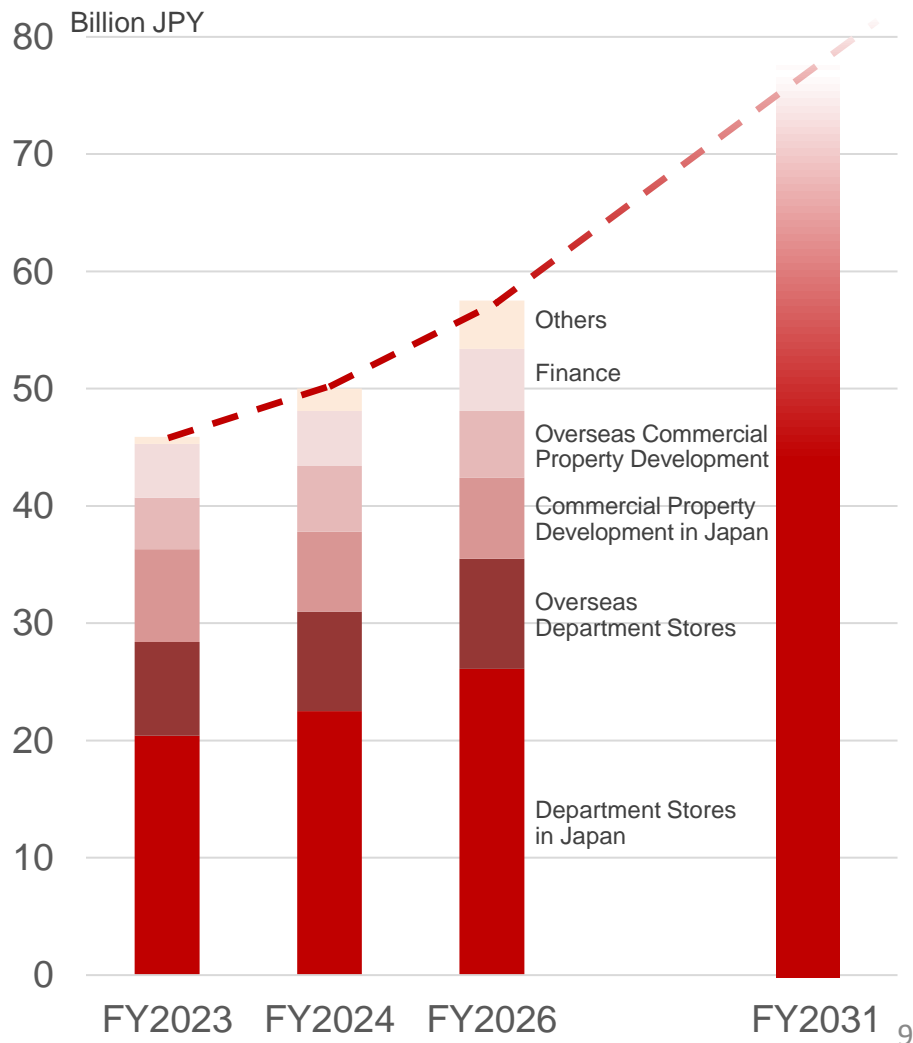


3. Ideal Business Portfolio in 2031

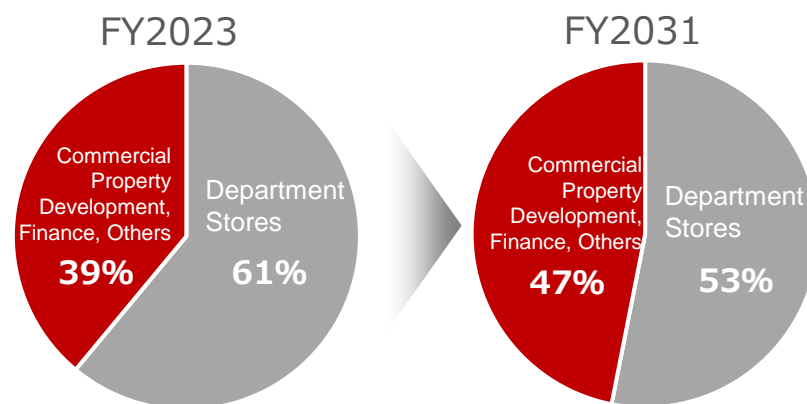
Profit level
75 to ¥80 bn

ROIC
7.0%

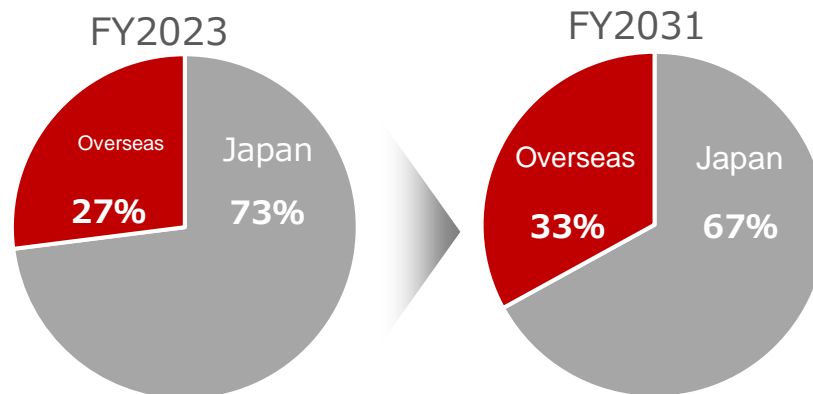
Financial stability
Net zero liabilities



By business



By region



III. Medium-Term Management Plan (FY2024 to FY2026)

1. Medium-Term Management Plan | Targets
2. Medium-Term Management Plan | Framework
3. ESG management
4. Human capital management
5. Machi-dukuri Strategy
6. Financial policy

1. Medium-Term Management Plan | Targets

**Consolidated
operating profit**

¥57.5 bn

**Consolidated
ROIC**

6.2%

Business	FY2023 Results			FY2026 Targets		
	Operating profit	ROIC	WACC	Operating profit	ROIC	WACC
Department Stores in Japan	20.4	4.6%	3.0%	25.3	5.0%	3.3%
Overseas Department Stores	8.0	10.3%	4.2%	9.7	11.1%	4.2%
Commercial Property Development in Japan	7.9	6.6%	3.7%	7.1	4.7%	3.4%
Overseas Commercial Property Development	4.4	5.1%	3.1%	5.9	5.0%	3.0%
Finance	4.6	8.3%	5.9%	5.3	7.0%	5.3%
Others	0.6	3.4%	5.7%	4.2	12.0%	5.7%
Consolidated Total	45.9	5.5%	4.6%	57.5	6.2%	4.7%

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2. Medium-Term Management Plan | Framework

Grand Design | Ideal position for 2031

Medium-Term Management Plan (2024~2026)

External Environment

- Population aging, population decline, labor shortages
- Growth in scale of emerging nations in Asia
- Continuous change driven by new technical innovation, etc.

Internal Environment

- Aging workforce
- Formation of growth platform delayed by COVID-19
- Expanding dependency on inbound travelers , etc.

ESG

Promote ESG management

Expand TSUNAGU ACTION

Human capital management

Improve per-capita productivity

Increase engagement

Machi-dukuri Strategy

Overseas / Vietnam development

Convert to next-gen shopping centers

Expand business domains for Commercial Property Development

Increase experiential value of brick-and-mortar stores

Capture next generation of customers

Machi-dukuri through financial services

DX promotion

Financial policy

Strategic investments

ROIC management

Strengthen finances

Shareholder returns









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3-1. ESG Management

Fulfill role as platform supporting lifestyles, culture, and local communities

Increasing awareness towards resolving environmental issues such as climate change, social issues related to human rights and the work environment, and corporate issues such as compliance and risk management

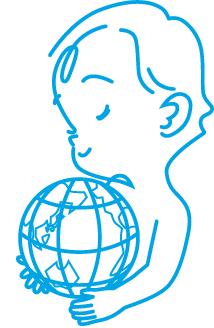
 <p>Environment</p>	<p>Steady promotion of decarbonization</p> <p>Realization of a recycling-oriented society</p>	<p>New adoption of off-site PPA towards achieving RE100 * Off-site PPA: Scheme through which a power provider (PPA operator) uses a general power grid to provide electricity to specific general consumers</p> <p>Expand scope of products eligible for recovery and renewal</p>	 
 <p>Society</p>	<p>Improving the labor environment</p> <p>DE&I</p> <p>Human rights</p>	<p>Reduce business days/operating hours Policy from 2025: Make Jan. 2 a business holiday</p> <p>Permeate understanding of LGBTQ+ and adopt related systems</p> <p>Revise transaction guidelines, formulate human rights commitment</p>	  
 <p>Governance</p>	<p>Risk management</p> <p>Strengthening overseas governance</p>	<p>Promote appropriate reflection of costs in prices, identify human rights risks</p> <p>Establish an office for governance in Ho Chi Minh City, Vietnam</p>	 

3-2. Expand TSUNAGU ACTION

Resolve social issues and increase profits through appealing products and event planning

TSUNAGU ACTION

Sales activities proposing sustainable lifestyles through eco-friendly & ethical products and services



Year-round initiatives

Increase recognition among customers

Strengthen merchandise

Expand appealing products and events linked to resolving social issues

Proactive engagement

Sales staff capable of conveying stories

3 Themes



■ PLANET

Leaving a beautiful Earth and vast resources for the future



■ SOCIAL

Conveying and disseminating the traditions and cultures of Japan and local regions



■ PEOPLE

Freedom, equality, and happiness for all people

3-3. TSUNAGU ACTION Specific Initiatives

Expand scope of TSUNAGU ACTION activities and increase focus on the core of products and services

FY2024 Annual Themes
for TSUNAGU ACTION

Action for the Future

4 Gateways to Takashimaya's Ideal Future

Circular department stores

Re: Takashimaya



5R, up-cycling, and food loss reduction for lifestyles that don't require throwing things away

- Expand Depart de Loop*
- Long-life designs
- Remake & repair

*A Takashimaya project aiming for the realization of a sustainable circular society. Turn collected items into new resources to achieve circular manufacturing based on recreation and circulation.

"My Town":

Places people want to live forever



Envelop unique local culture and industry to foster civic pride ("a love for local")

- Collaborations and product development with local companies and industries
- Projects and events for local children

Borderless future (Gender & Aging-Free)



Offer shopping experiences that can be enjoyed freely by everyone regardless of gender, age, or social standing

- Unisex items
- MD proposals featuring a mix of categories

Sustainable Squad



Work with other companies and creators to generate "that extra something"

- Collaborations and product development with other companies
- Increase recognition through collaborations with creators and artists

3-4. ESG-related KPI

Field	Item	FY2026 Plan
TSUNAGU ACTION	Volume of unwanted items collected	13 tons
	Recognition	50%
E Environment	RE100 (rate of renewable energy)	11.7%
	SCOPE3 Emissions volume	Planning to conduct consolidated disclosure from FY2026
	Rate of recycling for waste plastics	99.0%
	Total reduction in waste (vs. 2019)	-27.1%
S Society	Ratio of female managers	36.4%
	Rate of paid-leave use	82.0%

**ESG investments
(2024-2026)**

¥3 bn

III. Medium-Term Management Plan (FY2024 to FY2026)

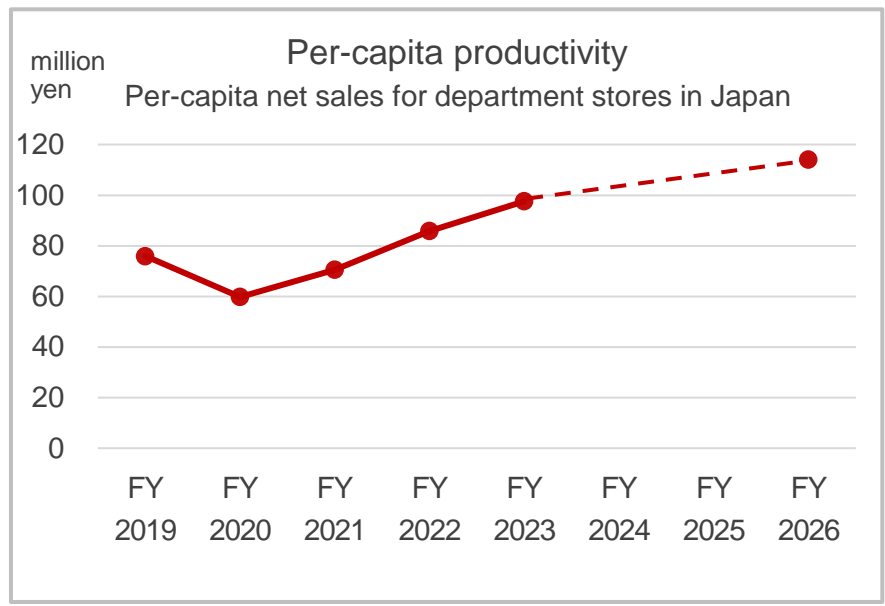
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4. **Human capital management**
5. Machi-dukuri Strategy
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Accelerate investments in the human capital who will support the Group's future growth

Increase ability to create added value by improving per-capita productivity

Human capital issues related to realizing our 2031 Ideal Vision

- Improving the competency of our people, the source of our added value creation
- Age-based retirement of generation from our peak hiring period



Human capital investments to **Increase per-capita productivity**

Human capital investments (2024-2026) ¥12 bn

Improve wages and benefits

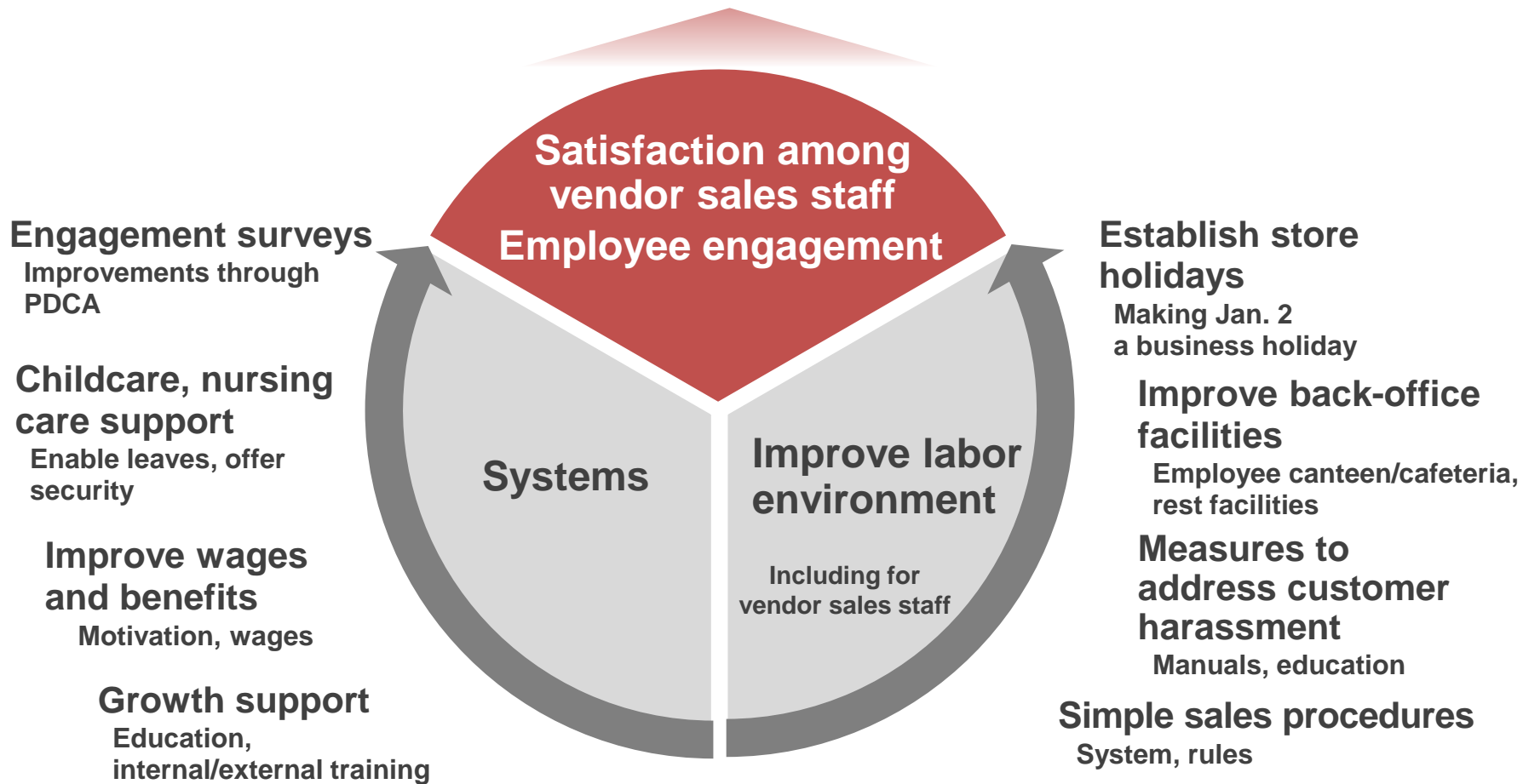
HR development Re-skilling

Promote utilization of veteran staff

Secure elite personnel

Prioritize increasing engagement and satisfaction among human capital, the drivers of our "omotenashi" (hospitality)

Increase experiential value for customers



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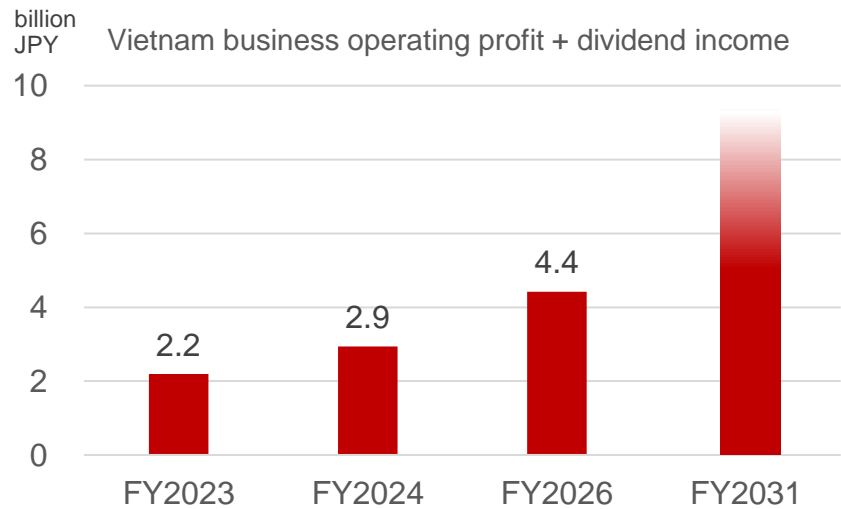
Position Vietnam as our biggest growth market and conduct targeted investments
 Leverage **know-how and partnerships cultivated in Singapore** to accelerate development in Vietnam

Group Strengths

- Know-how concerning development in Asia from track record cultivated in Singapore
- Business base in Hanoi and Ho Chi Minh City
- Partnerships with solid Japanese and local companies

Development Direction

- Consider increasing department store floor space, including new store openings
- New development and acquisitions of housing, offices, etc.
- Alliances for capital participation



Starlake Project B
(Hanoi, 2026 or later)



Leverage the Takashimaya Group's 3 Advantages to promote unique Machi-dukuri
 Convert large-scale shopping centers centered on department stores into next-gen facilities

Takashimaya Group 3 Advantages

Distinctive store locations	Broad customer base	Excellent Group companies
Balanced shop development in major regions of Japan and overseas	Highly loyal customers and increase in next generation of customers	Development of unique commercial facilities by Toshin Development Co., Ltd. combining department stores and specialty shops



Kyoto Takashimaya Shopping Center



Kashiwa Takashimaya Station Mall

Key content in next-generation shopping centers

Diverse motivations for visiting stores

Disaster response, social infrastructure

Innovative content

Local community

Agreement on partnering in emergency situations



Kyoto Takashimaya Shopping Center



Tamagawa, Nihombashi, Nagareyama, Kashiwa



Nagareyama City (Nagareyama Otakanomori Shopping Center)
 Setagaya Ward (Tamagawa Takashimaya Shopping Center)



Tamagawa Takashimaya Shopping Center

Strengthen resilience to economic fluctuations by promoting asset diversification and the development of new business domains
Maximize use of the Takashimaya Brand and the business development know-how of Toshin Development Co., Ltd.

Acquire investment real estate with prospects for value enhancements

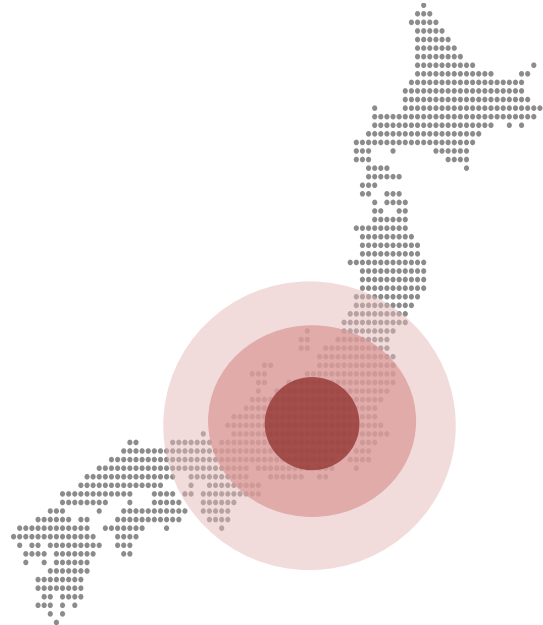
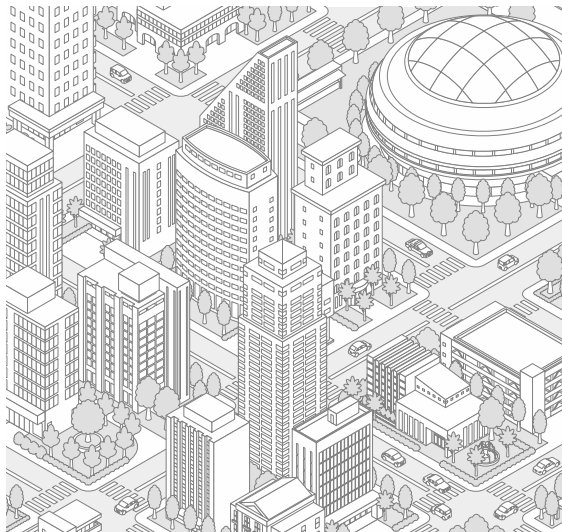
Acquire properties to which we can add value
Maximize use of development and management know-how

Expand business areas

Areas along TX route based on track record in Nagareyama
Utilize Takashimaya brand recognition in Kansai area

Other (Public-Private Partnerships, etc.)

Utilize track record of regional alliance in Nagareyama
Develop new projects as follow-up to Rokucho



Promote distinctiveness by applying editorial capabilities and cultural dissemination that leverage the inherent appeal of department stores

Editorial capabilities, sales capabilities

Continue to meet a wide range of needs beyond just a collection of brand shops through curated and open sales spaces unique to Takashimaya

Self-curated sales spaces
Aji-Hyakusen, Meika-Hyakusen



Self-curated sales spaces
Women's accessories



Original shops
STYLE & EDIT



Original shops
Gallery Le Chic



Increase sales from retail-priced products, develop human capital

Culture & tradition

Inheriting history, culture, and art, and creating new lifestyle culture for the future

Takashimaya Archives
TOKYO



Takashimaya Archives
OSAKA



Art gallery



Joubonkai



Capture next generation of customers, promote store visits

Capture the next generation of new customers through buzz-worthy events and initiatives in the digital domain

Collaboration project with popular TV program



Bananaman's Gotcha Gourmet! Exhibit

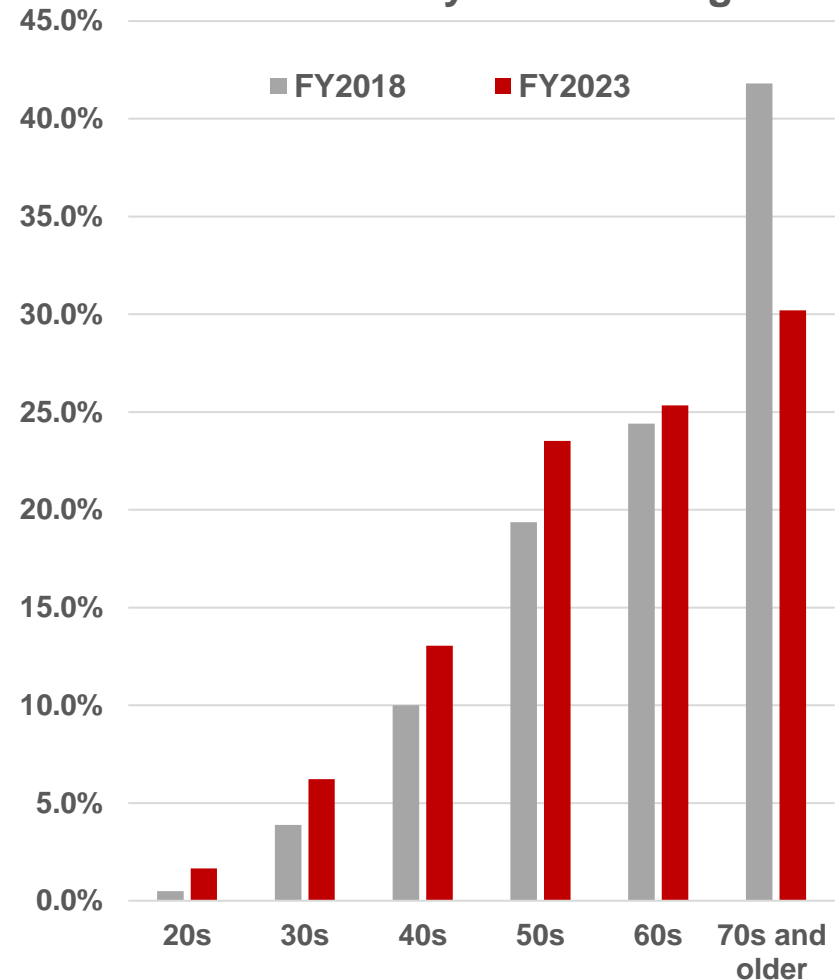
Real-world fun and the appeal of the virtual

Participated in Metaverse event



Virtual Market 2023 Winter

Sales share by customer age



Expand selection of financial products and services in department stores and promote Machi-dukuri
 Launch new businesses to expand customer domains and use financial services to build long-term, stable relationships with customers

Business domain expansion

Life Partner business



Financial counter (Since 2020)
 - Sales agent/brokerage for insurance and investment trusts
 - Asset formation and inheritance advice

Takashimaya NEOBANK

**TAKASHIMAYA
NEOBANK**



(Since 2022)

Investment lending and other businesses

Social lending
 (Since 2021)

Consider further business expansion, including M&A and alliances

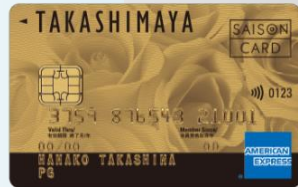
Card business



Takashimaya SAISON Card



Takashimaya Card



Takashimaya Card (Gold)



Takashimaya Platinum Debit Card

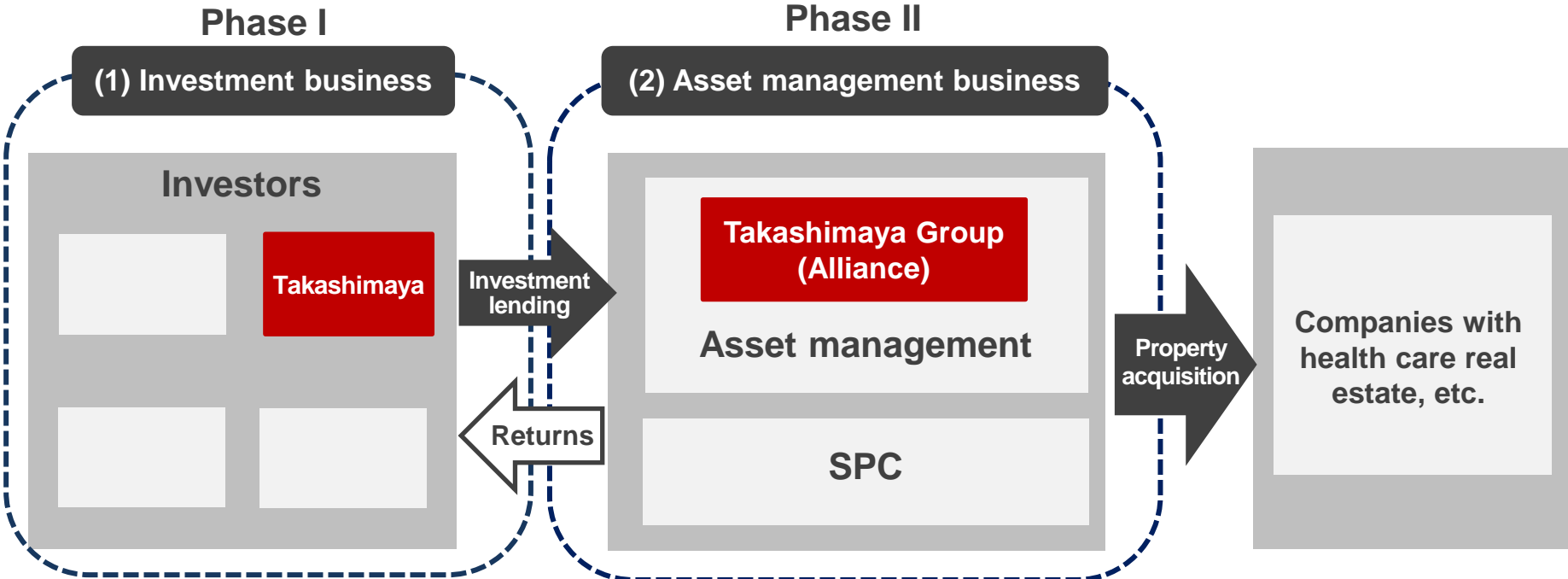


Takashimaya Card (Business Platinum)

Customer domain expansion

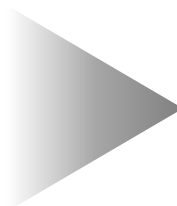
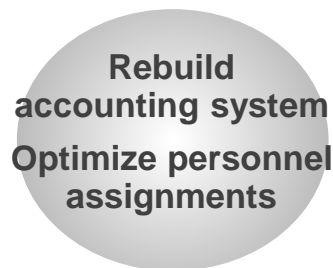
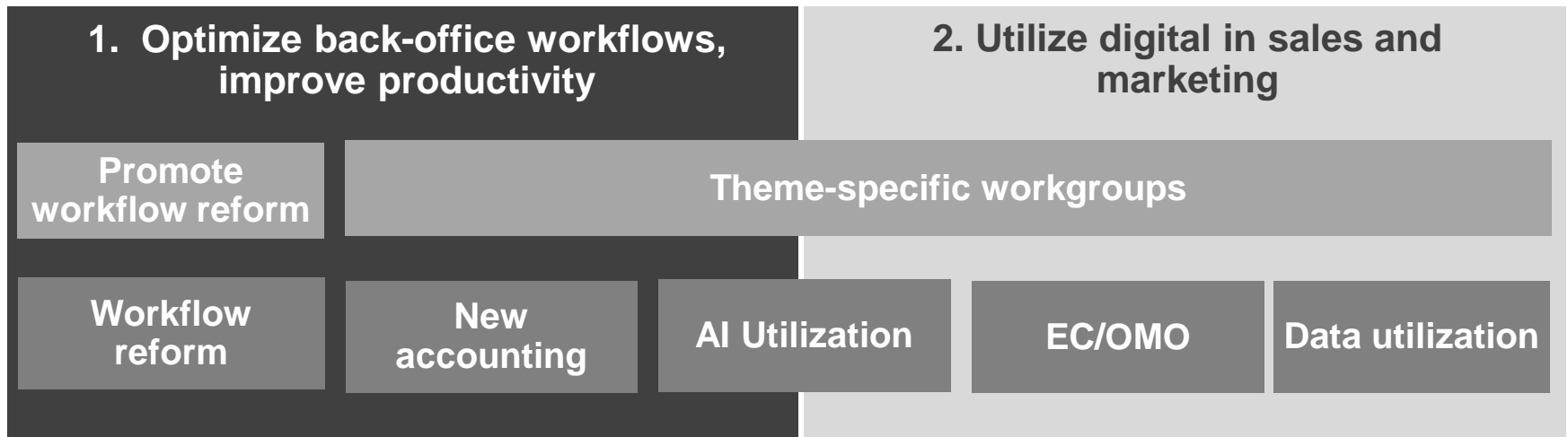
Further increase finance business revenue by expanding investment and lending business

Direction of investment and lending business expansion	Engage in investment and asset management business through alliances with asset management firm
Purpose/Objective	Support sustainable growth of companies through investments and loans for socially responsible businesses Increase financial stability with stock revenue from asset management business



Promote DX to increase the brick-and-mortar experiential value for customers by improving "omotenashi" (hospitality) and convenience

Company-wide DX promotion project



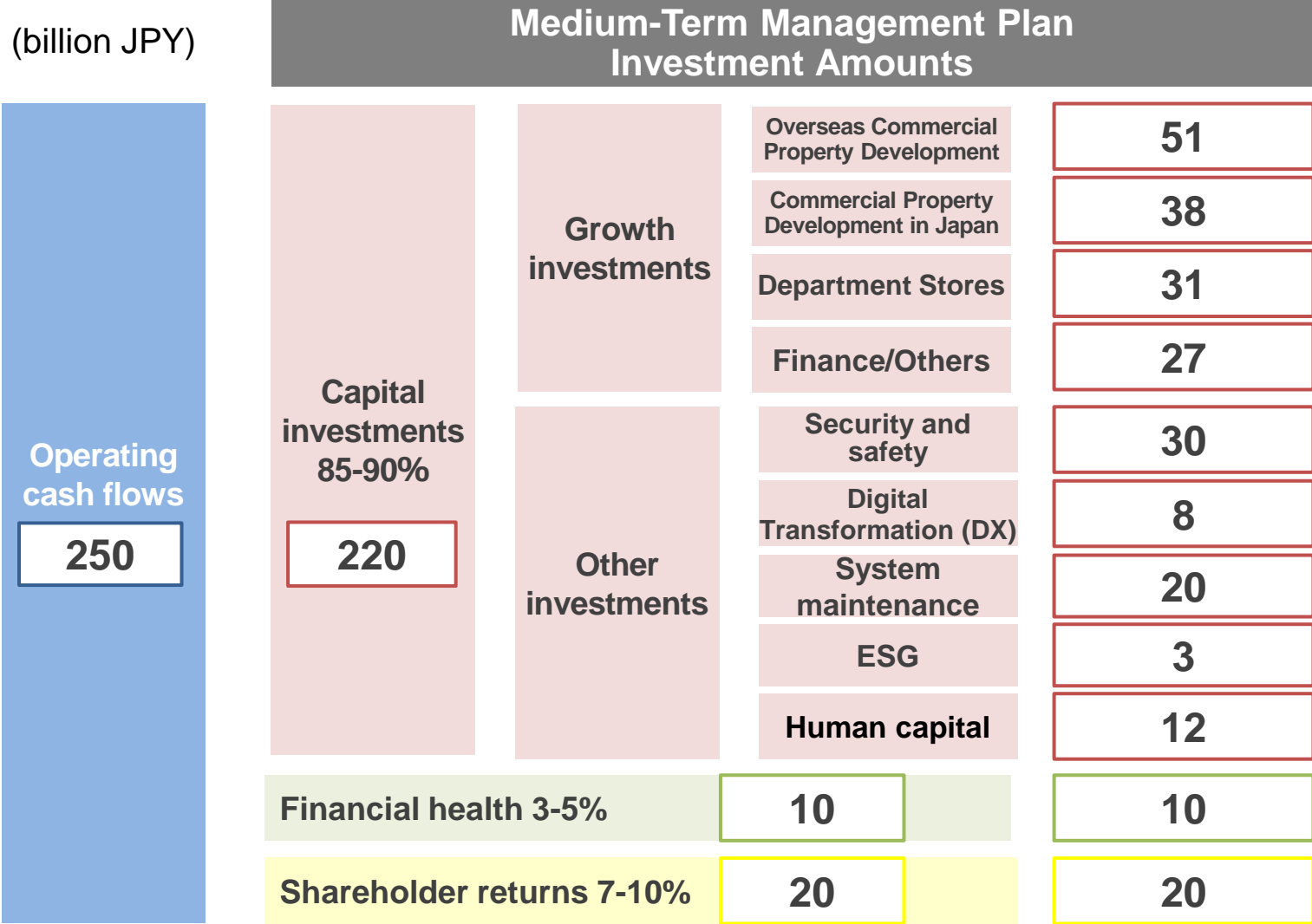
**Shift management
resources freed through
optimization to stores**

III. Medium-Term Management Plan (FY2024 to FY2026)

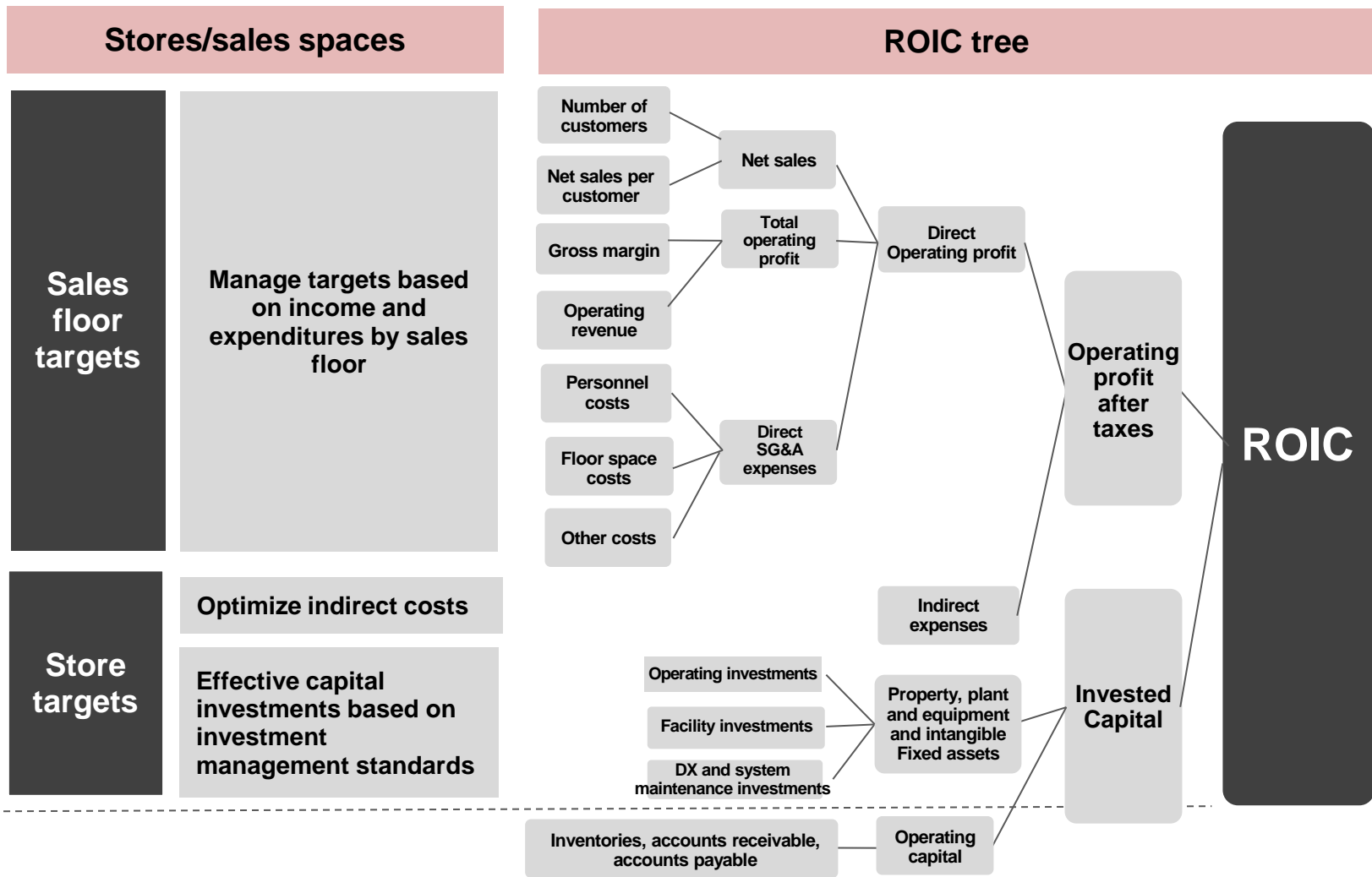
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Steadily conduct future-oriented growth investments and human capital and other management platform investments

(billion JPY)



Set ROIC targets not only for each business, but also for each company and store
 Utilize the ROIC tree to transform profit awareness and behavior at the workplace level

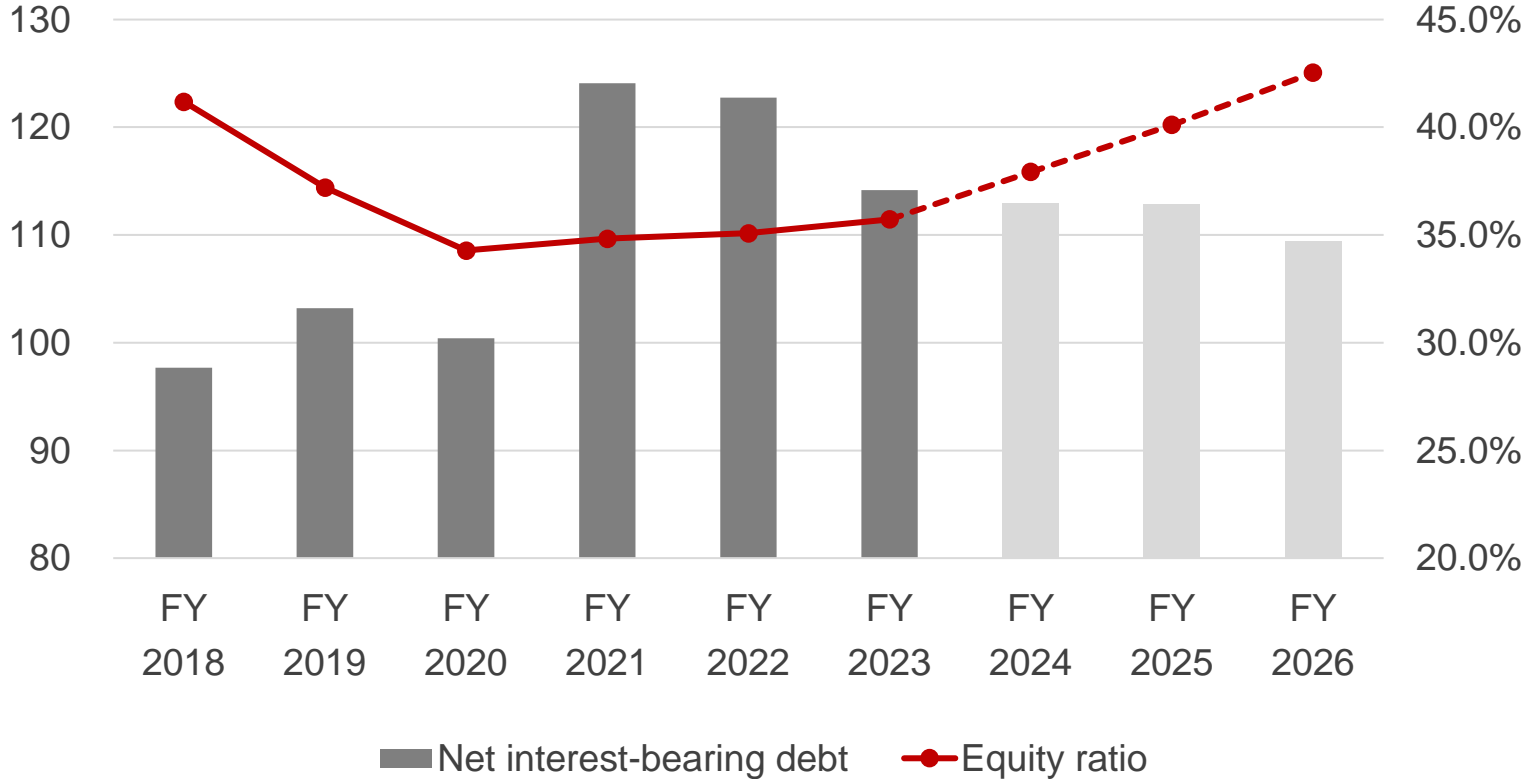


Strengthen financial position by promoting reduction of net interest-bearing debt and improving our equity ratio

Net interest-bearing debt ¥104 bn

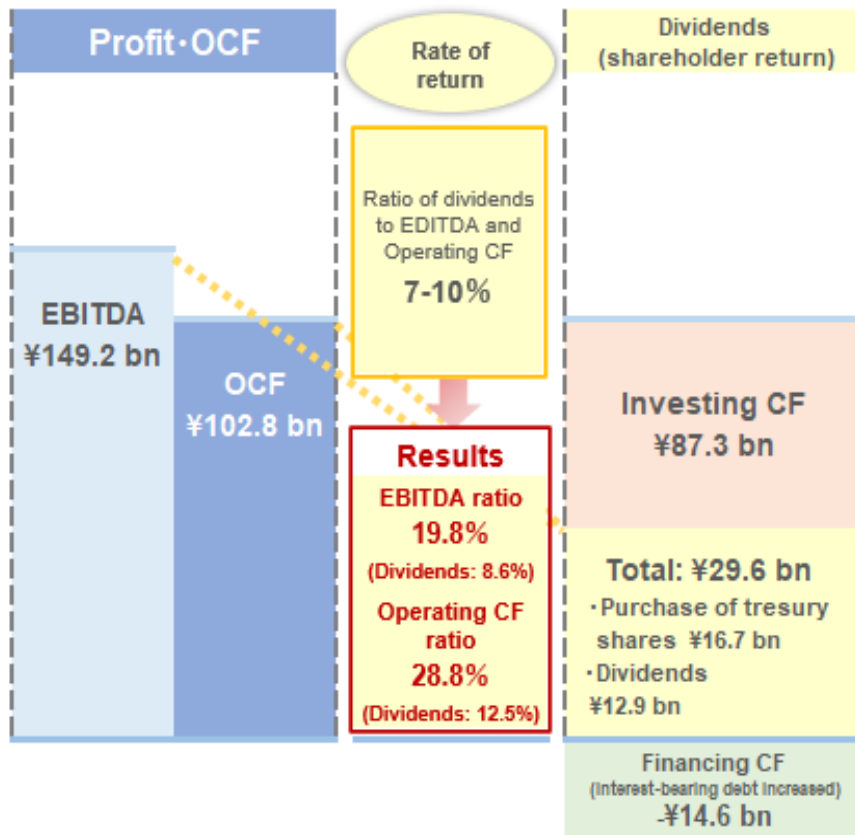
Equity ratio 42.1%

Trends in net interest-bearing debt and equity ratio

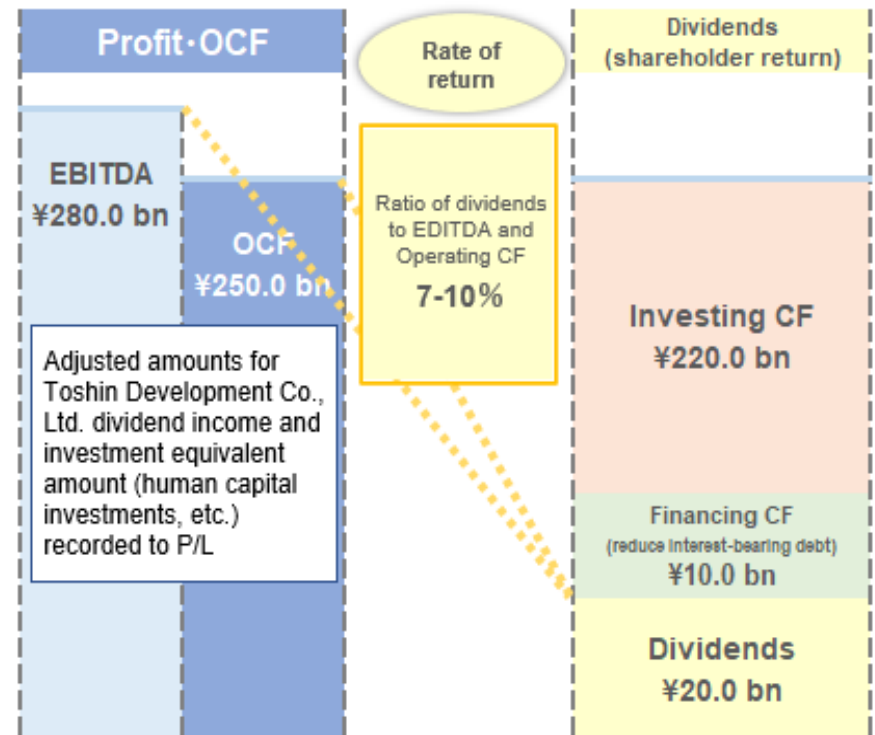


With the increase in profit levels, we plan to increase the year-end dividend by 3 yen to 20 yen (annual dividend: 37 yen)
 Our FY2024 dividend target is an interim dividend of 20 yen and a year-end dividend of 20 yen (prior to 2-for-1 split)
 Early disposal of 13,931,873 shares of the 20,028,578 shares of treasury stock acquired the previous fiscal year

Previous Medium-Term Management Plan (FY2021-FY2023)



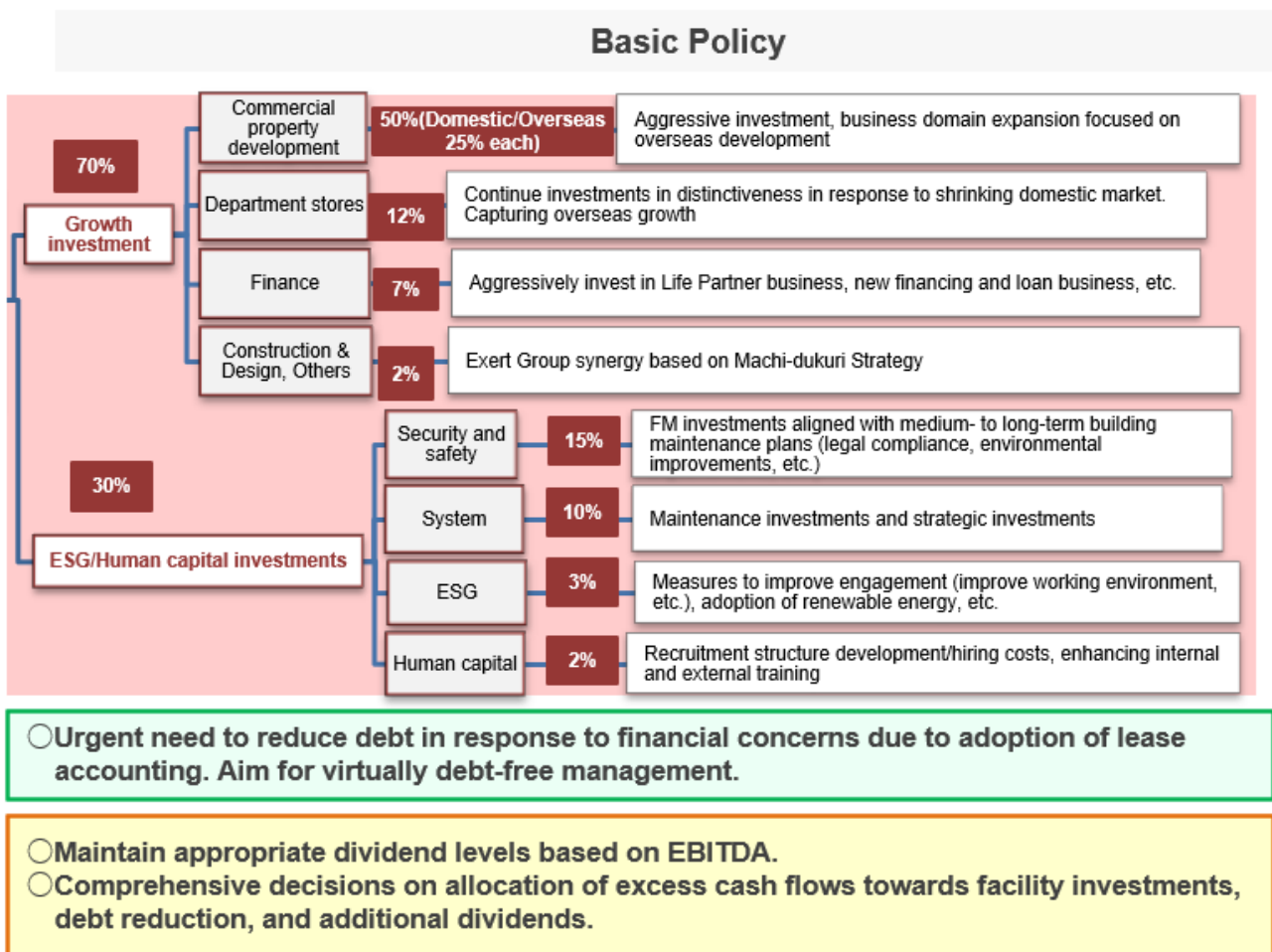
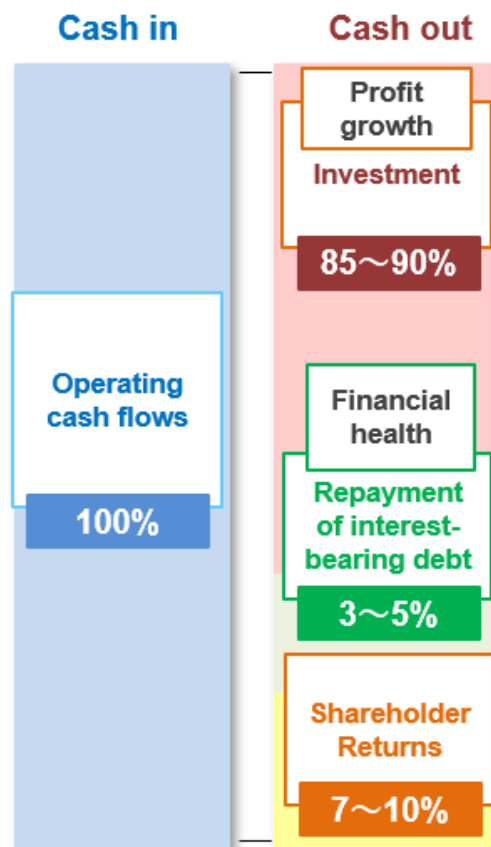
Medium-Term Management Plan (FY2024-2026)



Theme	KPI	FY2023 Results	FY2026 Targets
Profit growth	Operating profit (billion JPY)	45.9	57.5
	ROIC (%)	5.5	6.2
	ROE (%)	7.3	8.0
Financial health	Net interest-bearing debt (billion JPY)	114.2	104.0
	Equity ratio (%)	35.7	42.1
Shareholder returns	EPS (JPY)	200	268
	DOE <Dividend on equity ratio> (%)	1.35	1.3
	Stock price (JPY)	2,254	3,500 (*1)
	PBR (Multiple)	0.78	1.00
	TSR <Total shareholder return> (*2)	100	160

(*1) Stock price target based on assumptions prior to stock split planned for September 2024

(*2) (Stock price for year in question + cumulative dividend amount) / stock price for the base year (FY2023)

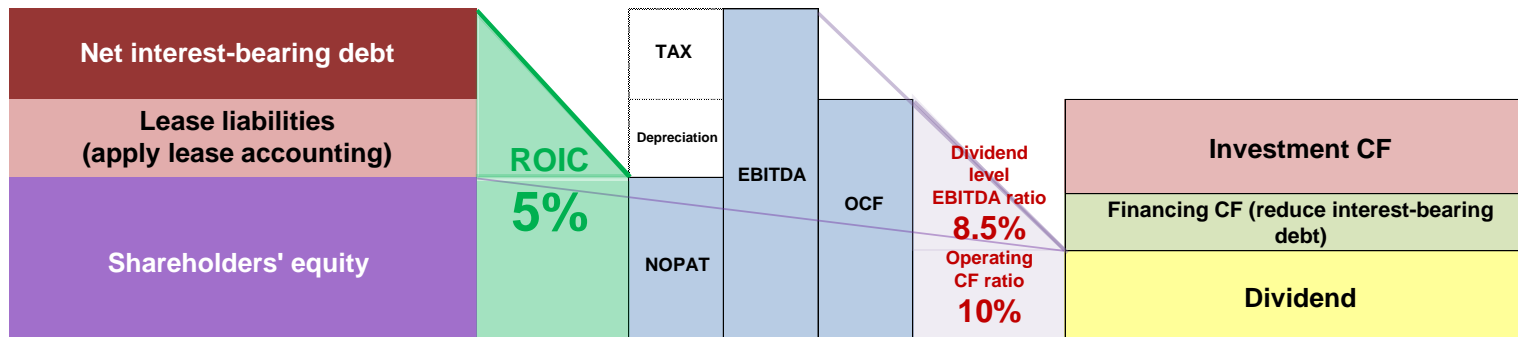


Invested capital

Profit · OCF

Dividends (shareholder return)

1) Full-year (Basic Policy)



Issue dividends based on net assets (target 1.2%)

2) When generating surplus profit (surplus free cash flow)

