

Financial Results for Third Quarter of the Fiscal Year Ending February 28, 2023

December 26, 2022

Takashimaya Co., Ltd.

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1. Consolidated Performance

- ✓ Total operating revenue increased thanks to a return to regular operation in stores and a one-off special factor.
- ✓ SG&A expenses decreased because of the cost-optimization program and the change in accounting method.
- ✓ Operating income, ordinary income, and profit attributable to owners of parent all increased.

(billion JPY)	Q3 cumulative (Mar.-Nov.)	YOY change	Change from same period of FY2019	Q2 cumulative (Mar.-Aug.)	YOY change	Change from same period of FY2019	Q3 (Sep.-Nov.)	YOY change	Change from same period of FY2019	Extraordinary loss (Covid) Rebound from FY2021 (Q3 cumulative)	Change in accounting method (Q3 cumulative)
Total operating revenue	632.2	+17.7%	(6.6%)	413.5	+19.1%	(8.7%)	218.7	+15.0%	(2.2%)		
Operating revenue	317.8	(40.9%)	(53.0%)	209.0	(39.8%)	(53.9%)	108.7	(42.8%)	(51.3%)		(314.4)
SG&A expenses	166.1	(1.9)	(26.1)	110.2	(0.1)	(18.3)	55.8	(1.7)	(7.8)	+2.1	(9.9)
Operating income	22.9	+24.0	+2.6	12.8	+14.8	(0.6)	10.0	+9.1	+3.2		+1.0
Ordinary income	24.5	+23.1	+5.1	14.6	+15.2	+1.9	9.9	+8.0	+3.1		+1.7
Profit attributable to owners of parent	22.9	+26.6	+6.5	13.5	+17.9	+1.1	9.4	+8.7	+5.3		+1.2

* In the current fiscal year, we have applied the standard for revenue recognition (ASBJ 30). "Total operating revenue" indicates the amount of operating revenue that would be recognized under the old standard.

2. Performance of Domestic Department Store Segment

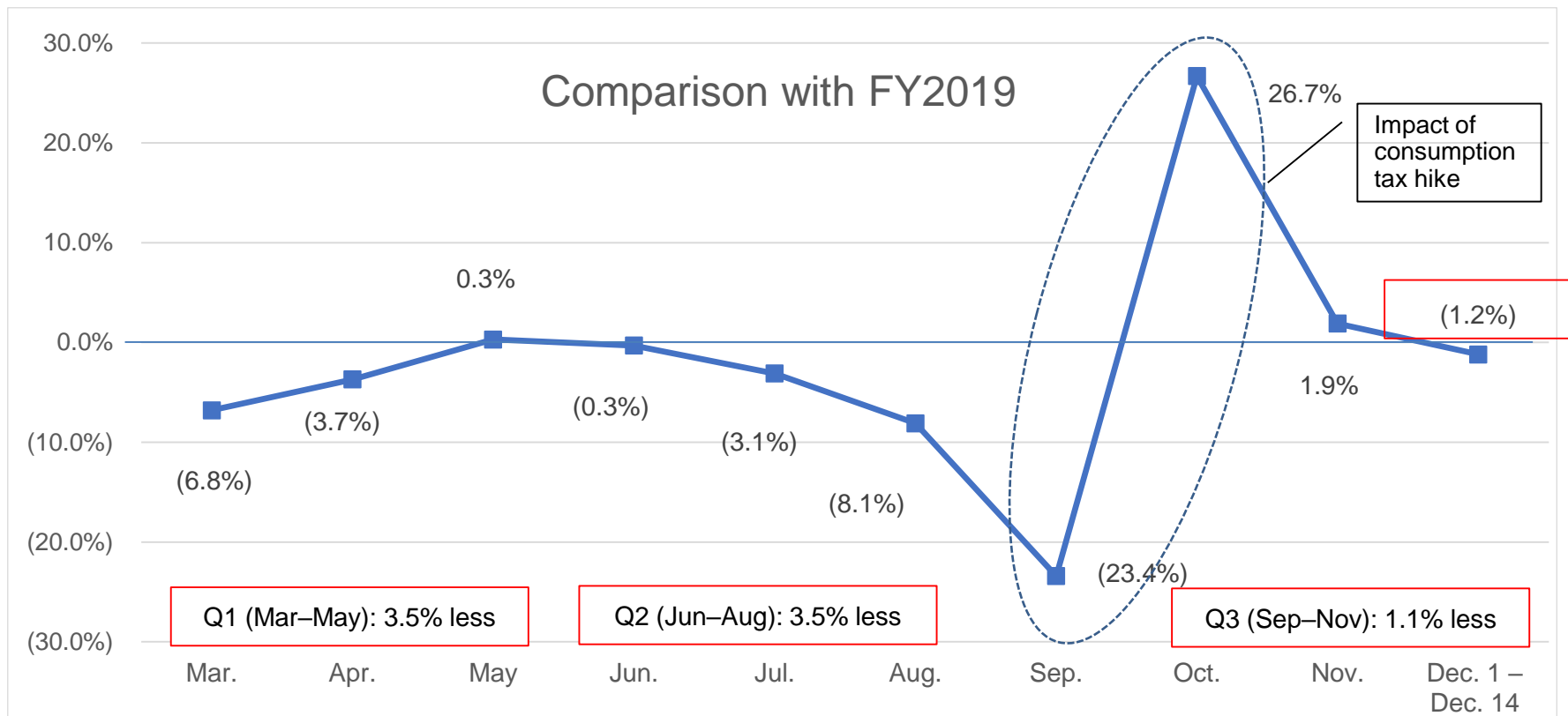
- ✓ Total operating revenue increased thanks to a return to regular operation in stores and a special factor (large order).
- ✓ Gross margin ratio continued to decrease amid strong performance in fashion and accessory selections.
- ✓ Operating income increased because of higher revenue and savings in SG&A expenses made under the cost-optimization program.

(billion JPY)	Q3 cumulative (Mar.-Nov.)	YOY change	Change from same period of FY2019	Q2 cumulative (Mar.-Aug.)	YOY change	Change from same period of FY2019	Q3 (Sep.-Nov.)	YOY change	Change from same period of FY2019	Extraordinary loss (Covid) Rebound from FY2021 (Q3 cumulative)	Change in accounting method (Q3 cumulative)
Total operating revenue	540.6	+17.2%	(5.4%)	353.8	+19.3%	(7.4%)	186.8	+13.4%	(1.4%)		
Operating revenue	236.7	(48.7%)	(58.6%)	156.3	(47.3%)	(59.1%)	80.4	(51.2%)	(57.6%)		(303.9)
Total sales	529.7	+17.4%	(5.5%)	346.5	+19.6%	(7.5%)	183.2	+13.6%	(1.4%)		
Sales	217.7	(51.7%)	(61.2%)	143.7	(50.4%)	(61.7%)	74.0	(54.1%)	(60.1%)		(312.0)
Gross margin ratio (old standard)	22.42%	(0.008)	(0.137)	22.34%	(0.005)	(0.141)	22.57%	(0.014)	(0.130)		
Gross margin ratio	51.29%	+2.879	+2.750	50.69%	+2.830	+2.694	52.46%	+2.975	+2.859		
SG&A expenses	122.8	+2.2	(17.2)	82.0	+3.4	(11.6)	40.9	(1.2)	(5.6)	+2.0	+0.3
Operating income	7.8	+16.6	+3.5	3.5	+10.3	+0.7	4.3	+6.3	+2.8		+0.6

* Starting from the period under review, we have applied the standard for revenue recognition (ASBJ 30). "Total operating revenue" indicates the amount of operating revenue that would be recognized under the old standard. "Total sales" indicates the amount of sales recognized under ASBJ 30.

2. Performance of Domestic Department Store Segment (Monthly Sales: Compared to FY2019)

- ✓ Domestic sales have recovered modestly amid diminishing Covid impact.
- ✓ Sep–Nov average was 9.0% higher than last year’s level, but still shy of FY2019 level (1.1% less), suggesting full recovery is yet to arrive.
- ✓ Belt-tightening and ongoing spread of infections remain concerns.



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

- ✓ SG&A expenses increased. This was in a part a rebound from level in same period last year, when Covid-related extraordinary loss was recognized. Another factor was higher variable costs.
- ✓ Cost-optimization program on track – It generated cost savings of ¥1.2 billion in Q3 (Sep–Nov).
- ✓ Advertising expenses decreased relative to same period last year, when loyalty point scheme was changed.

(billion JPY)	Breakdown of YOY change										Reference (old standard)		
	Q3 cumulative (Mar.-Nov.)	YOY change	Extraordinary loss (Covid) Rebound from FY2021	Impact of last year's closures	Variable costs	Cost increases	Change to loyalty point scheme	Change in accounting method	Cost optimization program	Change from same period of FY2019	Q3 cumulative (Mar.-Nov.)	YOY change	Change from same period of FY2019
Personnel related expenses	37.9	(1.1)	0.7	0.2				0.0	(2.0)	(6.8)	37.9	(1.1)	(6.8)
Advertising expenses	6.9	(9.4)	0.0	0.5	1.5	0.4	(1.9)	(10.0)	0.0	(12.9)	16.9	+0.7	(2.9)
G&A expenses	57.0	+11.1	0.5	0.6	1.3	0.7		9.8	(1.8)	3.4	47.2	+1.3	(6.4)
Rent and tax expenses	21.1	+1.6	0.7	0.4				0.6	(0.1)	(0.9)	20.5	+1.0	(1.5)
Total	122.8	+2.2	2.0	1.7	2.8	1.2	(1.9)	0.3	(3.9)	(17.2)	122.5	+1.9	(17.6)

(billion JPY)	Breakdown of YOY change										Reference (old standard)		
	Q3 (Sep.-Nov.)	YOY change	Extraordinary loss (Covid) Rebound from FY2021	Impact of last year's closures	Variable costs	Cost increases	Change to loyalty point scheme	Change in accounting method	Cost optimization program	Change from FY2019	Q3 (Sep.-Nov.)	YOY change	Change from FY2019
Personnel related expenses	12.7	(0.5)						0.0	(0.5)	(2.2)	12.7	(0.5)	(2.2)
Advertising expenses	2.8	(4.4)			0.4	0.6	(1.9)	(3.6)	0.0	(4.3)	6.4	(0.9)	(0.7)
G&A expenses	18.8	+3.5			0.4	0.5		3.3	(0.7)	+1.3	15.5	+0.2	(2.0)
Rent and tax expenses	6.5	+0.2						0.2	0.0	(0.4)	6.3	+0.0	(0.6)
Total	40.9	(1.2)	0.0	0.0	0.8	1.1	(1.9)	(0.1)	(1.2)	(5.6)	40.9	(1.2)	(5.5)

3. Performance of Key Subsidiaries: Domestic Group Businesses

- ✓ Toshin Development saw a slight decrease in income in Q3 (Sep–Nov) because of higher utility bills.
- ✓ TFP posted revenue and income growth after increasing sales (handling volume) amid the diminishing Covid impact.
- ✓ TSC posted revenue and income growth, reflecting steady growth in orders for luxury projects.

(billion JPY)		Q3 cumulative (Mar.–Nov.)	YOY change	*Change from same period of FY2019	H1 (Mar.–Aug.)	YOY change	*Change from same period of FY2019	Q3 (Sep.–Nov.)	YOY change	*Change from same period of FY2019
Toshin Development Co., Ltd.	Operating revenue	33.9	+11.0%	+1.5%	22.3	+12.3%	+0.5%	11.6	+8.4%	+3.7%
	Operating income	4.6	+0.7	(0.5)	2.9	+0.7	(0.4)	1.7	(0.0)	(0.1)
Takashimaya Financial Partners Co., Ltd. (TFP)	Operating revenue	15.8	+5.7%	(1.9%)	10.4	+5.6%	(1.8%)	5.4	+6.0%	(2.2%)
	Operating income	3.5	+0.1	(0.4)	2.3	+0.1	(0.3)	1.2	+0.0	(0.1)
Takashimaya Space Create Co., Ltd. (TSC)	Operating revenue	16.2	+24.7%	(39.5%)	9.7	+3.8%	(47.1%)	6.5	+78.9%	(22.8%)
	Operating income	(0.5)	+0.2	(1.7)	(0.3)	(0.2)	(1.1)	(0.1)	+0.4	(0.7)

3. Performance of Key Subsidiaries: Overseas Businesses (Jan-Sep)

- ✓ All the business except Shanghai Takashimaya posted revenue and income growth thanks to the diminishing Covid impact coupled with the weak yen.
- ✓ Revenue and income growth exceeded the FY2019 level in Takashimaya Singapore, Takashimaya Vietnam, and Siam Takashimaya.
- ✓ Shanghai Takashimaya's revenue and income decreased because the Covid impact prompted business suspension and reduced opening hours, and because of rent discounts offered to tenants.

(billion JPY)		Q3	YOY	*Change	H1	YOY	*Change	Q3	YOY	*Change
		cumulative (Jan.-Sep.)	change	from same period of FY2019	(Jan.-Jun.)	change	from same period of FY2019	(Jul.-Sep.)	change	from same period of FY2019
Takashimaya Singapore Ltd.	Operating revenue	14.6	+61.9%	+22.0%	9.2	+56.5%	+12.1%	5.4	+71.9%	+43.3%
	Operating income	4.0	+3.3	+0.8	2.4	+2.0	+0.2	1.6	+1.3	+0.6
Toshin Development Singapore Pte, Ltd	Operating revenue	6.7	+18.4%	+2.8%	4.3	+14.6%	(2.6%)	2.4	+25.9%	+14.1%
	Operating income	1.8	+0.4	(0.5)	1.1	+0.2	(0.5)	0.7	+0.2	(0.1)
Shanghai Takashimaya Co., Ltd.	Operating revenue	1.8	(20.5%)	(30.4%)	1.2	(20.8%)	(26.6%)	0.6	(19.7%)	(37.0%)
	Operating income	0.1	(0.2)	(0.1)	0.1	(0.1)	+0.1	(0.0)	(0.1)	(0.1)
Takashimaya Vietnam Co., Ltd.	Operating revenue	2.1	+148.6%	+49.0%	1.3	+60.9%	+40.8%	0.8	+2994.9%	+65.3%
	Operating income	0.4	+0.5	+0.4	0.3	+0.2	+0.2	0.2	+0.3	+0.1
Siam Takashimaya (Thailand) Co., Ltd.	Operating revenue	1.4	+64.9%	+19.5%	0.9	+36.5%	+15.3%	0.5	+151.9%	+27.1%
	Operating income	(0.5)	+0.1	+0.1	(0.4)	+0.1	+0.1	(0.2)	+0.0	+0.1

1SGD=93.74JPY 1CNY=19.46JPY 1VND=0.0055JPY 1THB= 3.70JPY

4. Consolidated Cost and Revenue Forecasts (as announced on December 26)

- ✓ Forecasts have been upgraded from level announced on October 7.
- ✓ We forecast strong operating revenue in domestic department stores and in group companies.
- ✓ In view of revenue growth, we upgraded the forecasts for operating and ordinary income. We also upgraded the forecast for profit attributable to owners of parent in view of proceeds from the sale of shares.

(billion JPY)	Reference (old standard)									
	Full-year forecast	YOY change	Change from FY2019	Change from forecast	H1 result	YOY change	H2 forecast	YOY change	Full-year forecast	Change
Total operating revenue	872.0	+14.6%	(5.1%)	+1.3%	413.5	+19.1%	458.5	+10.8%	872.0	+0.0
Operating revenue	450.0	(40.9%)	(51.0%)	+2.5%	209.0	(39.8%)	241.0	(41.8%)	—	—
SG&A expenses	230.1	+1.1	(30.0)	(1.7)	110.2	(0.1)	119.9	+1.2	217.2	+12.9
Operating income	28.5	+24.4	+2.9	+3.0	12.8	+14.8	15.7	+9.6	27.0	+1.5
Ordinary income	28.0	+21.1	+4.8	+2.5	14.6	+15.2	13.4	+5.9	26.0	+2.0
Profit attributable to owners of parent	26.0	+20.6	+10.0	+6.0	13.5	+17.9	12.5	+2.7	24.7	+1.3

Change from forecast: Change from forecast announced on October 11, 2022

5. Forecasts for Domestic Department Stores

- ✓ Operating revenue will grow amid brisk consumer spending, higher inbound demand, and large orders.
- ✓ The cost-optimization program will continue to generate savings in SG&A expenses, although expense-to-sales ratio and utility bills will increase.
- ✓ The operating income forecast has been upgraded.

(billion JPY)	Full-year forecast	YOY change	Change from FY2019	Change from forecast	H1 result	YOY change	H2 forecast	YOY change
Total operating revenue	744.2	+13.4%	(4.0%)	+1.1%	353.8	+19.3%	390.3	+8.5%
Operating revenue	336.0	(48.8%)	(56.7%)	+2.4%	156.3	(47.3%)	179.7	(50.1%)
Total sales	729.6	+13.6%	(4.0%)	+1.1%	346.5	+19.6%	383.1	+8.6%
Sales	311.7	(51.5%)	(59.0%)	+2.5%	143.7	(50.4%)	168.0	(52.4%)
Gross margin ratio (old standard)	22.23%	(0.015)	(0.140)	+0.012	22.34%	(0.005)	22.13%	(0.025)
Gross margin ratio	49.24%	+2.686	+2.561	(0.033)	50.69%	+2.830	48.00%	+2.563
SG&A expenses	168.8	+3.8	(21.5)	+1.0	82.0	+3.4	86.8	+0.4
Operating income	9.0	+16.2	+4.8	+2.0	3.5	+10.3	5.5	+5.9

Change from forecast: Change from forecast announced on October 11, 2022

Reference (1) : Operational Status of Facilities

■ Operational Status of Stores (reduced-hours days not included)

[FY2022]

	Start of reduced opening hours	Start of closure	Full store reopening	Days closed			
				Q1	Q2	Q3	Q4
Shanghai Takashimaya	2022/3/18	2022/4/1	2022/6/7	—	67	—	—

[FY2021]

	Start of closure	Full reopening	Days closed		Start of closure	Full reopening	Days closed
Osaka Store	2021/4/25	2021/6/21	43	Tachikawa Takashimaya Shopping Center	2021/4/25	2021/6/21	43
Sakai Store	2021/4/25	2021/6/21	43	Omiya Store	—	—	—
Senboku Store	2021/4/25	2021/6/21	43	Kashiwa Takashimaya Station Mall	—	—	—
Kyoto Store	2021/4/25	2021/6/21	43	Okayama Store	2021/5/16	2021/6/1	5
Rakusai Store	2021/4/25	2021/6/21	43	Gifu Store	—	—	—
Nihombashi Takashimaya Shopping Center	2021/4/25	2021/6/21	43	Takasaki Store	—	—	—
Yokohama Store	—	—	—	Nagareyama Otakanomori Shopping Center	—	—	—
Times Square (Shinjuku)	2021/4/25	2021/6/21	43	Hakata Riverain Mall	—	—	—
Tamagawa Takashimaya Shopping Center	2021/4/25	2021/6/21	43				

	Start of reduced opening hours	Start of closure	Full store reopening	Days closed			
				Q1	Q2	Q3	Q4
Takashimaya Singapore	2021/2/20	—	—	—	—	—	—
Takashimaya Shopping Centre (Singapore)	2021/2/17	—	—	—	—	—	—
Shanghai Takashimaya	2021/1/26	—	—	—	—	—	—
Takashimaya Vietnam Co., Ltd	2021/3/25	2021/5/31	2021/10/8	—	31	92	7
Saigon Centre	2021/3/20	2021/5/31	2021/10/8	—	31	92	7
Siam Takashimaya (Thailand) Co., Ltd.	—	2021/7/12	2021/8/31	—	—	51	—

Reference (2) : SG&A Expenses Forecasts for Domestic Department Stores

(billion JPY)	Full-year forecast	YOY change	Change from FY2019	H1 result	YOY change	Change from FY2019	H2 forecast	YOY change	Change from FY2019
Personnel related expenses	51.7	(1.1)	(8.5)	25.2	(0.6)	(4.5)	26.6	(0.5)	(4.0)
Advertising expenses	8.9	(12.5)	(16.6)	4.1	(4.9)	(8.6)	4.8	(7.6)	(7.9)
G&A expenses	78.9	+15.1	+4.7	38.1	+7.5	+2.1	40.8	+7.6	+2.6
Rent and Tax expenses	29.2	+2.2	(1.1)	14.6	+1.4	(0.5)	14.6	+0.9	(0.6)
Total	168.8	+3.8	(21.5)	82.0	+3.4	(11.6)	86.8	+0.4	(9.9)

Reference (3): Forecasts for Key Subsidiaries

(billion JPY)	Operating revenue	Change from previous year /Change from FY2019	Change from forecast	Operating income	Change from previous year /Change from FY2019	Change from forecast	Operating income	
							H1 result	H2 forecast
Toshin Development Co., Ltd.	45.9	+10.9% +2.3%	+0.0%	5.8	+0.8 (0.9)	+0.0	2.9	2.9
Takashimaya Financial Partners Co., Ltd. (TFP)	21.5	+6.7% (0.9%)	+0.0%	4.5	+0.1 (0.4)	+0.0	2.3	2.2
Takashimaya Space Create Co., Ltd. (TSC)	24.7	+37.8% (33.2%)	+6.2%	0.0	+0.5 (1.8)	(0.2)	(0.3)	0.3
Takashimaya Singapore Ltd.	20.6	+52.5% +21.1%	+9.6%	5.6	+3.7 +0.8	+1.1	2.4	3.2
Toshin Development Singapore Pte, Ltd.	9.0	+22.5% +3.4%	+3.8%	2.4	+0.8 (0.7)	+0.2	1.1	1.3
Shanghai Takashimaya Co., Ltd.	2.3	(21.6%) (26.2%)	(13.3%)	0.1	(0.3) +0.0	+0.2	0.1	(0.0)
Takashimaya Vietnam Co., Ltd.	2.9	+124.7% +45.8%	+7.3%	0.6	+0.7 +0.5	+0.1	0.3	0.3
Siam Takashimaya (Thailand) Co., Ltd.	2.0	+51.3% +24.4%	(24.3%)	(0.7)	+0.2 +0.3	(0.2)	(0.4)	(0.3)

Exchange rate: 1SGD=93.74JPY 1CNY=19.46JPY 1VND=0.0055JPY 1THB= 3.70JPY

Change from forecast: Change from forecast announced on October 11, 2022

Reference (4): Dissolution of Capital Tie-Up with H2O Retailing

- On November 4, we dissolved our capital tie-up with H2O Retailing Corporation (H2O).
- We repurchased our stock from H2O (8,887,000 shares, which represented 5.3% of our outstanding stock).
- H2O repurchased its stock from us (6,259,500 shares).
- We recorded ¥2,609 million in gain on sale of investment securities.
- The business tie-up continues. We will continue to collaborate with H2O in developing womenswear and other items in order to further build each other's enterprise value. We will also work with H2O in contributing to the SDGs.

* For more information, see the press releases dated November 2 and 4, 2022.

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.