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On October 13, 2020, Takashimaya Co., Ltd. announced earnings results for Q2 FY02/21.

Cumulative (JPYmn)	FY02/19				FY02/20				FY02/21		FY02/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of Est.	FY Est.
Operating revenue	219,825	441,524	659,595	912,848	223,682	453,144	676,639	919,094	116,204	297,352	43.6%	682,000
YoY	1.9%	1.9%	1.6%	0.6%	1.8%	2.6%	2.6%	0.7%	-48.0%	-34.4%		-25.8%
Sales	203,747	409,356	611,424	846,894	205,744	417,630	623,531	848,494	102,159	268,559	43.2%	622,094
YoY	1.8%	1.9%	1.4%	0.2%	1.0%	2.0%	2.0%	0.2%	-50.3%	-35.7%		-26.7%
Gross profit	53,249	105,797	158,188	217,403	52,963	106,453	159,332	215,125	24,221	64,207	42.6%	150,711
YoY	2.7%	1.8%	1.4%	-0.5%	-0.5%	0.6%	0.7%	-1.0%	-54.3%	-39.7%		-29.9%
GPM	26.1%	25.8%	25.9%	25.7%	25.7%	25.5%	25.6%	25.4%	23.7%	23.9%		24.2%
SG&A expenses	60,775	124,544	186,976	256,695	63,154	128,543	192,178	260,142	45,635	103,219	45.1%	228,617
YoY	2.5%	2.6%	3.4%	4.4%	3.9%	3.2%	2.8%	1.3%	-27.7%	-19.7%		-12.1%
SG&A ratio	29.8%	30.4%	30.6%	30.3%	30.7%	30.8%	30.8%	30.7%	44.7%	38.4%		36.7%
Operating profit	8,552	13,420	19,383	26,661	7,746	13,424	20,261	25,582	-7,368	-10,217	-	-18,000
YoY	5.7%	-3.4%	-10.7%	-24.5%	-9.4%	0.0%	4.5%	-4.0%	-	-		-
OPM	4.2%	3.3%	3.2%	3.1%	3.8%	3.2%	3.2%	3.0%	-7.2%	-3.8%		-2.9%
Recurring profit	9,968	16,125	22,877	31,234	7,117	12,659	19,403	23,200	-8,684	-10,914	-	-19,500
YoY	14.7%	3.1%	-6.1%	-19.1%	-28.6%	-21.5%	-15.2%	-25.7%	-	-		-
RPM	4.9%	3.9%	3.7%	3.7%	3.5%	3.0%	3.1%	2.7%	-8.5%	-4.1%		-3.1%
Net income	5,845	8,782	11,438	16,443	10,597	12,404	16,447	16,028	-20,530	-23,284	-	-36,500
YoY	13.4%	-2.6%	-21.0%	-30.5%	81.3%	41.2%	43.8%	-2.5%	-	-		-
Net margin	2.9%	2.1%	1.9%	1.9%	5.2%	3.0%	2.6%	1.9%	-20.1%	-8.7%		-5.9%

Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Operating revenue	219,825	221,699	218,071	253,253	223,682	229,462	223,495	242,455	116,204	181,148
YoY	1.9%	1.9%	0.9%	-2.0%	1.8%	3.5%	2.5%	-4.3%	-48.0%	-21.1%
Sales	203,747	205,609	202,068	235,470	205,744	211,886	205,901	224,963	102,159	166,400
YoY	1.8%	1.9%	0.5%	-2.7%	1.0%	3.1%	1.9%	-4.5%	-50.3%	-21.5%
Gross profit	53,249	52,548	52,391	59,215	52,963	53,490	52,879	55,793	24,221	39,986
YoY	2.7%	0.9%	0.5%	-5.0%	-0.5%	1.8%	0.9%	-5.8%	-54.3%	-25.2%
GPM	26.1%	25.6%	25.9%	25.1%	25.7%	25.2%	25.7%	24.8%	23.7%	24.0%
SG&A expenses	60,775	63,769	62,432	69,719	63,154	65,389	63,635	67,964	45,635	57,584
YoY	2.5%	2.7%	5.0%	7.1%	3.9%	2.5%	1.9%	-2.5%	-27.7%	-11.9%
SG&A ratio	29.8%	31.0%	30.9%	29.6%	30.7%	30.9%	30.9%	30.2%	44.7%	34.6%
Operating profit	8,552	4,868	5,963	7,278	7,746	5,678	6,837	5,321	-7,368	-2,849
YoY	5.7%	-16.1%	-23.7%	-46.5%	-9.4%	16.6%	14.7%	-26.9%	-	-
OPM	4.2%	2.4%	3.0%	3.1%	3.8%	2.7%	3.3%	2.4%	-7.2%	-1.7%
Recurring profit	9,968	6,157	6,752	8,357	7,117	5,542	6,744	3,797	-8,684	-2,230
YoY	14.7%	-11.3%	-22.7%	-41.3%	-28.6%	-10.0%	-0.1%	-54.6%	-	-
RPM	4.9%	3.0%	3.3%	3.5%	3.5%	2.6%	3.3%	1.7%	-8.5%	-1.3%
Net income	5,845	2,937	2,656	5,005	10,597	1,807	4,043	-419	-20,530	-2,754
YoY	13.4%	-23.9%	-51.4%	-45.5%	81.3%	-38.5%	52.2%	-	-	-
Net margin	2.9%	1.4%	1.3%	2.1%	5.2%	0.9%	2.0%	-0.2%	-20.1%	-1.7%

Source: Shared Research based on company data

Note: From FY02/19, sales from consignment transaction by overseas subsidiaries are reported on a net basis, the portion that represents income to the company.

Includes some figures based on SR estimates.

Note: From FY02/20, IFRS 16 "Leases" is adopted for overseas subsidiaries.

Impact of the adoption of IFRS 16 for lease accounting: The group's overseas subsidiaries adopted IFRS 16 for lease accounting starting FY02/20. The impact of this switch added a total of JPY2.7bn to operating profit during FY02/20 while reducing both recurring profit and pre-tax profit by JPY2.0bn versus FY02/19. At the individual segment level, the adoption of IFRS 16 added JPY2.4bn to operating profit at the Department Store segment and JPY882mn to operating profit at the Commercial Property Development segment, with this reduced in part by a JPY632mn adjustment charge at the consolidated level.

By segment Quarterly (JPYmm)	FY02/19				FY02/20				FY02/21		FY02/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of Est.	FY Est.
Operating revenue	219,825	221,699	218,071	253,253	223,682	229,462	223,495	242,455	116,204	181,148	43.6%	682,000
YoY	1.9%	1.9%	0.9%	-2.0%	1.8%	3.5%	2.5%	-4.3%	-48.0%	-21.1%		-25.3%
Department Store	192,111	191,624	189,768	218,542	193,316	195,134	191,949	204,376	88,616	153,347	42.2%	573,825
YoY	2.4%	1.1%	-0.3%	0.4%	0.6%	1.8%	1.1%	-6.5%	-54.2%	-21.4%		-26.9%
Commercial Property Development	10,504	10,475	10,571	12,131	11,365	11,162	11,261	11,743	8,397	9,092	46.4%	37,708
YoY	5.5%	5.1%	7.0%	-31.4%	8.2%	6.6%	6.5%	-3.2%	-26.1%	-18.5%		-17.2%
Finance	4,111	3,883	3,869	4,031	4,363	4,256	4,383	4,455	4,035	4,068	52.0%	15,571
YoY	14.0%	8.2%	14.6%	11.5%	6.1%	9.6%	13.3%	10.5%	-7.5%	-4.4%		-10.8%
Contract and Design	5,354	6,842	5,407	7,192	6,628	9,741	6,357	10,464	7,258	5,318	63.5%	19,803
YoY	-22.7%	6.2%	10.9%	-6.3%	23.8%	42.4%	17.6%	45.5%	9.5%	-45.4%		-40.3%
Other	7,743	8,874	9,180	10,634	8,008	9,168	9,544	11,418	7,896	9,324		
YoY	1.4%	8.9%	18.8%	-10.8%	3.4%	3.3%	4.0%	7.4%	-1.4%	1.7%		
Operating profit	8,552	4,868	5,963	7,278	7,746	5,678	6,837	5,321	-7,368	-2,849	-	-18,000
YoY	5.7%	-16.1%	-23.7%	-46.5%	-9.4%	16.6%	14.7%	-26.9%	-	-		-
OPM	3.9%	2.2%	2.7%	2.9%	3.5%	2.5%	3.1%	2.2%	-6.3%	-1.6%		-2.6%
Department Store	3,963	464	1,779	2,485	2,849	1,425	2,289	375	-8,608	-5,280	-	-23,426
YoY	34.4%	-60.7%	-54.9%	-54.3%	-28.1%	207.1%	28.7%	-84.9%	-	-		-
OPM	2.1%	0.2%	0.9%	1.1%	1.5%	0.7%	1.2%	0.2%	-9.7%	-3.4%		-4.1%
Commercial Property Development	2,638	2,094	2,256	2,422	2,914	2,108	2,505	2,395	2,112	1,126	70.0%	4,623
YoY	-5.2%	-9.6%	-7.7%	-37.1%	10.5%	0.7%	11.0%	-1.1%	-27.5%	-46.6%		-53.4%
OPM	25.1%	20.0%	21.3%	20.0%	25.6%	18.9%	22.2%	20.4%	25.2%	12.4%		12.3%
Finance	1,359	1,358	1,398	1,331	1,401	1,205	1,271	1,001	1,058	1,048	54.8%	3,846
YoY	14.2%	29.0%	36.4%	2.8%	3.1%	-11.3%	-9.1%	-24.8%	-24.5%	-13.0%		-21.2%
OPM	33.1%	35.0%	36.1%	33.0%	32.1%	28.3%	29.0%	22.5%	26.2%	25.8%		24.7%
Contract and Design	-39	480	114	172	175	583	528	493	115	-236	-	-1,051
YoY	-	1.3%	-	-73.1%	-	21.5%	363.2%	186.6%	-34.3%	-		-
OPM	-0.7%	7.0%	2.1%	2.4%	2.6%	6.0%	8.3%	4.7%	1.6%	-4.4%		-5.3%
Other	262	601	606	902	347	629	684	902	20	356		
YoY	-52.4%	-25.2%	-12.0%	-30.0%	32.4%	4.7%	12.9%	0.0%	-94.2%	-43.4%		
OPM	3.4%	6.8%	6.6%	8.5%	4.3%	6.9%	7.2%	7.9%	0.3%	3.8%		
Adjustments	366	-128	-191	-34	59	-274	-438	154	-2,067	138		

Source: Shared Research based on company data

Note: From FY02/20, Takashimaya insurance was transferred from Other to Finance segment (data in table above retrospectively adjusted).

Note: Effective Q3 FY02/20, the name of the Real Estate segment was changed to the Commercial Property Development segment.

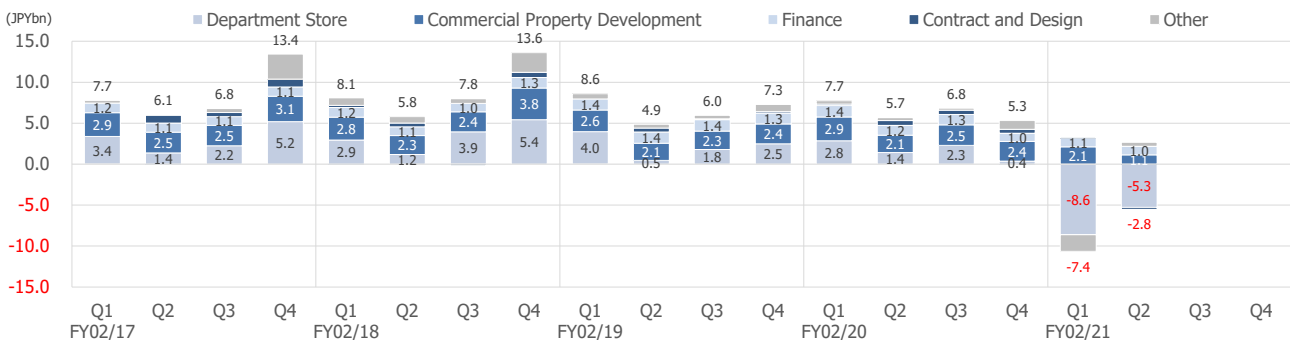
Segment name change: Effective Q3 FY02/20, the company has changed the name of its Real Estate segment to the Commercial Property Development segment. The name change was made to better reflect the nature of the company's businesses in this area, which under its Machi-Zukuri (urban development) strategy will involve not only property and facilities management but also expanded efforts to develop commercial properties that will work to the benefit of its department store business.

Q2 FY02/21 results (out October 13, 2020)

- ▷ In 1H FY02/21, the company reported consolidated operating revenue of JPY297.4bn (-34.4% YoY), an operating loss of JPY10.2bn (versus operating profit of JPY13.4bn in 1H FY02/20), and a net loss of JPY23.3bn (versus net income of JPY12.4bn in 1H FY02/20). The sharp drop in operating revenue stemmed from the company's move to shorten operating hours and temporarily close domestic and overseas stores amid the COVID-19 pandemic. Despite cuts in fixed costs, the company still posted significant losses at the operating profit and net income levels. The losses came from the Department Store segment, as peripheral businesses, including the group's Commercial Property Development and Finance businesses, reported lower profits but remained in the black, thereby mitigating the large losses at department store operations to some extent.
- ▷ 1H gross profit was JPY64.2bn (-39.7% YoY), and the gross profit margin fell to 23.9% from 25.5% in 1H FY02/20. The decline in the gross profit margin reflected the rising proportion of sales accounted for by food products, which carry lower margins but continued being sold throughout the quarter as the food floors of its department stores remained open even when all other floors were temporarily closed. Moreover, the downturn in sales of food products was relatively mild even after the company was able to reopen its stores in full. 1H SG&A expenses were JPY103.2bn (-19.7%, or JPY25.3bn, YoY). Of the JPY25.3bn reduction in SG&A expenses, JPY10.3bn came from reductions in fixed costs made in connection with the temporary store closures in response to the Japanese government's state of emergency declaration, these costs being booked instead as extraordinary losses stemming from the COVID-19 pandemic. In addition to a decline of about JPY4.5bn in proportional costs linked directly to domestic department store sales, the acceleration of costs restructuring lowered expenses by about JPY4.0bn, including reductions of JPY1.4bn in personnel expenses, JPY600mn in general expenses, JPY1.1bn in advertising expenses, JPY500mn in administrative expenses, and JPY400mn in accounting expenses.
- ▷ In Q2 FY02/21, the company reported operating revenue of JPY181.1bn (-21.1% YoY), an operating loss of JPY2.8bn (versus operating profit of JPY5.7bn in Q2 FY02/20), and a net loss of JPY2.8bn (versus net income of JPY1.8bn in Q2 FY02/20). With the quarter seeing the reopening of commercial facilities such as department stores, the drop in operating revenue in Q2 moderated compared to the 48.0% YoY decline in Q1, and with structural reforms producing positive effects, net losses also narrowed compared to Q1, when they reached JPY20.5bn. The gross profit margin deteriorated 1.2pp YoY to 24.0% from 25.2% in Q2 FY02/20, but improved from 23.7% in Q1.
- ▷ For FY02/21, Takashimaya forecasts operating revenue of JPY682.0bn (-25.8% YoY), an operating loss of JPY18.0bn (versus operating profit of JPY25.6bn in FY02/20), and a net loss of JPY36.5bn (versus net income of JPY16.0bn in FY02/20). After leaving its full-year forecast to be determined at a later date at the beginning of the term, the company released its full-year forecast when announcing Q2 results. For 2H FY02/21, the company forecasts operating revenue of JPY384.6bn (-17.4% YoY), an operating loss of JPY7.8bn, and a net loss of JPY13.2bn. Factoring in uncertainty over when the spread of COVID-19 will be brought under control, the company expects sales to decline at a pace in line with current trends, with domestic department store sales, excluding tax-free sales, down 15% YoY and tax-free sales in the same period down 95% YoY. The company forecasts 2H GPM at 24.5%, with the positive impact from reforms to the cost structure at JPY7.7bn for the full year. The company maintained its initial annual dividend forecast of JPY24.0 per share.
- ▷ Department Store segment: The Department Store segment reported Q2 operating revenue of JPY153.3bn (-21.4% YoY) and an operating loss of JPY5.3bn (versus operating profit of JPY1.4bn in Q2 FY02/20). The parent recorded an operating loss of JPY4.6bn. Within the segment, the company recorded operating profit of JPY18mn (-98.3% YoY) in Singapore and JPY22mn (3.1x the Q2 FY02/20 figure) in Vietnam, but an operating loss of JPY71mn (versus operating profit of JPY28mn in Q2 FY02/20) in Shanghai. For the full year, it forecasts segment operating revenue of JPY573.8bn (-26.9% YoY) and an operating loss of JPY23.4bn (versus operating profit of JPY375mn in FY02/20). For 2H FY02/21, the company forecasts operating revenue of JPY331.9bn (-16.3% YoY) and an operating loss of JPY9.5bn (versus operating profit of JPY2.7bn in 2H FY02/20).

- ▷ Commercial Property Development segment: The Commercial Property Development segment reported Q2 operating revenue of JPY9.1bn (-18.5% YoY) and operating profit of JPY1.1bn (-46.6% YoY). Impacted by a drop in percentage rent income, operating revenue at Toshin Development was down 5.7% YoY to JPY10.4bn. With the business only reopening on June 19, operating revenue at Toshin Development Singapore declined sharply, down 71.8% YoY to JPY612mn. For the full year, the company forecasts operating revenue of JPY37.7bn (-17.2% YoY) and operating profit of JPY4.6bn (-53.4% YoY).
- ▷ Finance segment: The Finance segment reported Q2 operating revenue of JPY4.1bn (-4.4% YoY) and operating profit of JPY1.0bn (-13.0% YoY), the decline reflecting a drop in credit card usage at participating merchants amid widespread store closures. For the full year, the company forecasts operating revenue of JPY15.6bn (-10.8% YoY) and operating profit of JPY3.8bn (-21.2% YoY).
- ▷ Contract and Design segment: The Contract and Design segment reported Q2 operating revenue of JPY5.3bn (-45.4% YoY) and an operating loss of JPY236mn (versus operating profit of JPY583mn in Q2 FY02/20), with losses attributable to the sharp deterioration in demand due to the spread of COVID-19. For the full year, the company forecasts operating revenue of JPY19.8bn (-40.3% YoY) and an operating loss of JPY1.1bn (versus operating profit of JPY1.8bn in FY02/20).
- ▷ Medium-term business plan: While Takashimaya has been working on cost structure reforms in line with the three-year (FY02/21–FY02/23) emergency business plan announced in April 2020, in light of the changes in consumer behavior brought on by the spread of COVID-19, the company aims to release a new medium-term business plan in April 2021. In the interim, the company intends to work aggressively toward reforming its cost structure. Takashimaya’s next medium-term business plan looks to focus on: 1) portfolio and cost structure reviews in the Department Store business and an expansion in the online business (with the company lifting its FY2023 sales target for the online business from JPY30.0bn to JPY50.0bn and developing systems allowing the business to achieve that goal); 2) positioning the Commercial Property Development business as the group’s growth driver in line with a two-pronged growth strategy centered on location and business development; and 3) leveraging the customer base to expand the Finance business (bolstering the product lineup, including by promoting credit business planning while maintaining the credit card business as a core business).

Operating profit major subsidiaries by segment



Source: Shared Research based on company data

Note: Effective Q1 FY02/17, subsidiary Fashion Plaza Sunroser was moved from the Department Stores segment to the Real Estate segment.

Note: Effective Q3 FY02/20, the name of the Real Estate segment was changed to the Commercial Property Development segment.

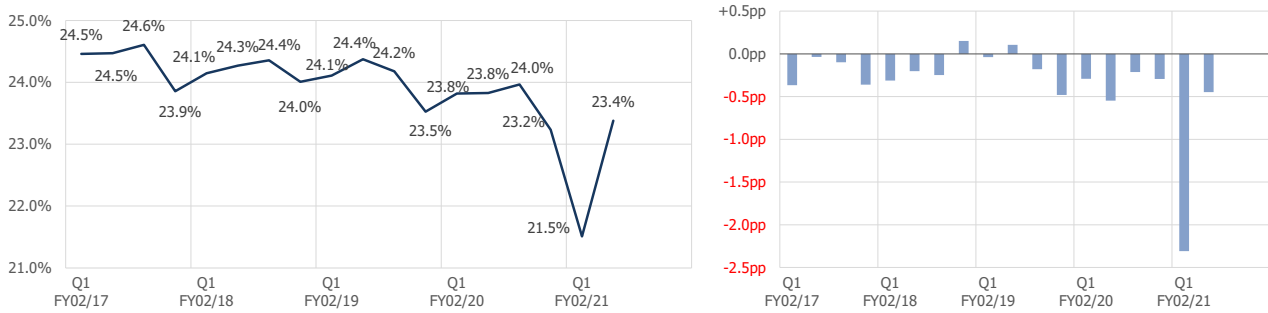
Department Store

Department Store Quarterly (JPYmm)	FY02/19				FY02/20				FY02/21		FY02/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of Est.	FY Est.
Operating revenue	192,111	191,624	189,768	218,542	193,316	195,134	191,949	204,376	88,616	153,347	42.2%	573,825
YoY	2.4%	1.1%	-0.3%	0.4%	0.6%	1.8%	1.1%	-6.5%	-54.2%	-21.4%	-	-26.9%
Parent	175,856	176,432	174,565	202,345	176,677	179,838	176,473	189,248	83,593	147,056	42.6%	541,282
YoY	1.5%	0.7%	-0.6%	0.9%	0.5%	1.9%	1.1%	-6.5%	-52.7%	-18.2%	-	-25.1%
Takashimaya Singapore	4,262	4,351	4,122	5,410	4,085	4,112	3,792	4,996	3,177	794	38.6%	10,286
YoY	5.3%	2.1%	0.3%	7.7%	-4.2%	-5.5%	-8.0%	-7.7%	-22.2%	-80.7%	-	-39.4%
Shanghai Takashimaya	854	792	749	791	849	791	956	544	509	600	54.0%	2,055
YoY	6.4%	6.5%	-7.2%	-2.3%	-0.6%	-0.1%	27.6%	-31.2%	-40.0%	-24.1%	-	-34.6%
Takashimaya Vietnam	391	419	440	528	469	463	472	594	382	319	41.7%	1,681
YoY	11.4%	23.6%	17.9%	22.6%	19.9%	10.5%	7.3%	12.5%	-18.6%	-31.1%	-	-15.9%
Other, adjustments	10,748	9,630	9,892	9,468	11,236	9,930	10,256	8,994	955	4,578	-	18,521
Operating profit	3,963	464	1,779	2,485	2,849	1,425	2,289	375	-8,608	-5,280	-	-23,426
YoY	34.4%	-60.7%	-54.9%	-54.3%	-28.1%	207.1%	28.7%	-84.9%	-	-	-	-
OPM	2.1%	0.2%	0.9%	1.1%	1.5%	0.7%	1.2%	0.2%	-9.7%	-3.4%	-	-4.1%
Parent	3,639	811	1,668	2,423	1,938	945	1,543	-498	-7,986	-4,566	-	-22,498
YoY	24.8%	-47.2%	-51.3%	-51.9%	-46.7%	16.5%	-7.5%	-	-	-	-	-
OPM	2.1%	0.5%	1.0%	1.2%	1.1%	0.5%	0.9%	-0.3%	-9.6%	-3.1%	-	-4.2%
Takashimaya Singapore	802	636	640	1,182	1,179	1,063	1,038	1,490	562	18	33.2%	1,746
YoY	22.8%	-10.0%	3.2%	-28.0%	47.0%	67.1%	62.2%	26.1%	-52.3%	-98.3%	-	-63.4%
OPM	18.8%	14.6%	15.5%	21.8%	28.9%	25.9%	27.4%	29.8%	17.7%	2.3%	-	17.0%
Shanghai Takashimaya	-185	-241	-216	-224	28	28	111	-93	-87	-71	-	-133
YoY	-	-	-	-	-	-	-	-	-	-	-	-
OPM	-21.7%	-30.4%	-28.8%	-28.3%	3.3%	3.5%	11.6%	-17.1%	-17.1%	-11.8%	-	-6.5%
Takashimaya Vietnam	-16	-52	-21	-28	35	7	33	47	5	22	32.1%	84
YoY	-	-	-	-	-	-	-	-	-85.7%	214.3%	-	-31.1%
OPM	-4.1%	-12.4%	-4.8%	-5.3%	7.5%	1.5%	7.0%	7.9%	1.3%	6.9%	-	5.0%
Other, adjustments	-277	-690	-292	-868	-331	-618	-436	-571	-1,102	-683	-	-2,625

Source: Shared Research based on company data

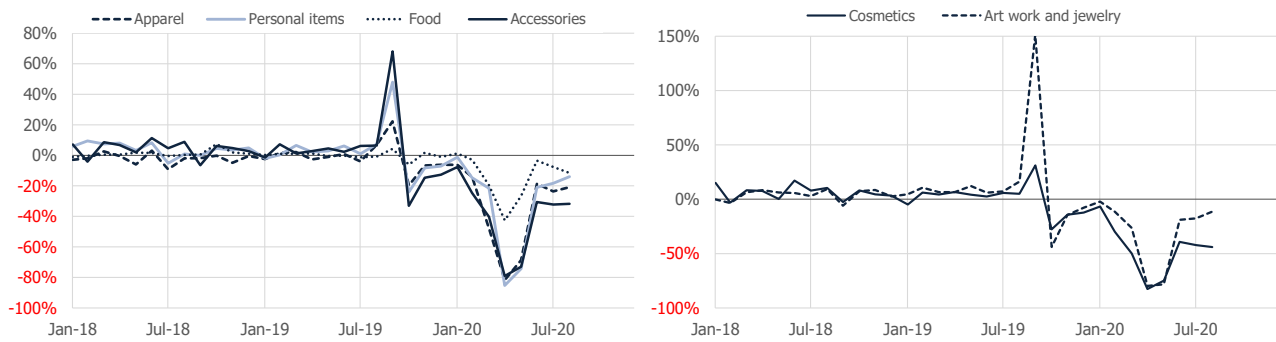
Note: From FY02/19, sales from consignment transaction by overseas subsidiaries are shown in net revenue, the portion that represents income to the company.

Parent gross profit margin (right shows YoY change)



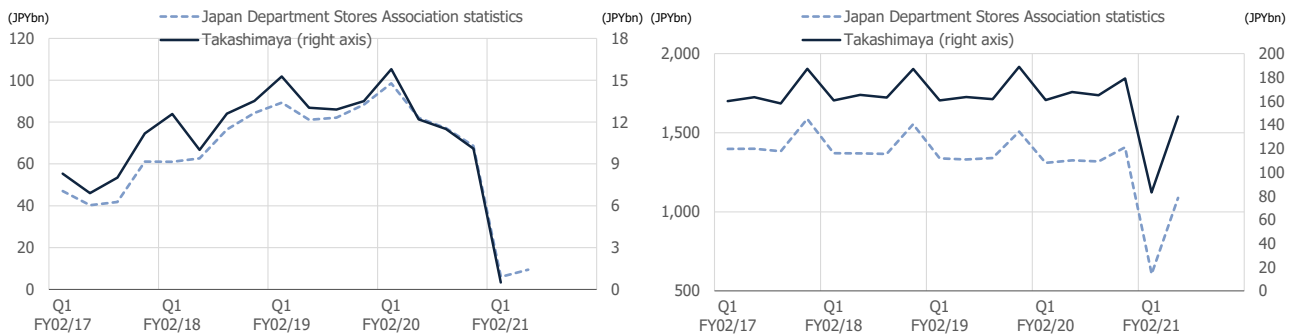
Source: Shared Research based on company data

Sales by main product



Source: Shared Research based on company data

Comparison with Japan Department Stores Association data (left: tax-free sales, right: non-tax-free sales)



Source: Shared Research based on company and Japan Department Stores Association data

Parent company performance

Parent company Cumulative (JPYmn)	FY02/19				FY02/20				FY02/21		FY02/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of Est.	FY Est.
Operating revenue	175,856	352,288	526,853	729,198	176,677	356,515	532,988	722,236	83,593	230,649	42.6%	541,282
YoY	1.5%	1.1%	0.6%	0.6%	0.5%	1.2%	1.2%	-1.0%	-52.7%	-35.3%		-25.1%
Sales	172,536	345,613	516,639	715,333	173,097	349,272	522,150	707,618	80,330	223,971	42.4%	527,792
YoY	1.6%	1.1%	0.5%	0.6%	0.3%	1.1%	1.1%	-1.1%	-53.6%	-35.9%		-25.4%
Gross profit	41,598	83,784	125,133	171,878	41,229	83,207	124,637	167,726	17,279	50,863	42.3%	120,208
YoY	1.4%	1.3%	0.3%	-0.1%	-0.9%	-0.7%	-0.4%	-2.4%	-58.1%	-38.9%		-28.3%
GPM	24.1%	24.2%	24.2%	24.0%	23.8%	23.8%	23.9%	23.7%	21.5%	22.7%		22.8%
SG&A expenses	41,279	86,009	129,229	177,202	42,871	87,566	131,051	178,415	28,528	70,094	44.9%	156,196
YoY	-0.3%	1.3%	2.0%	2.8%	3.9%	1.8%	1.4%	0.7%	-33.5%	-20.0%		-12.5%
SG&A ratio	23.9%	24.9%	25.0%	24.8%	24.8%	25.1%	25.1%	25.2%	35.5%	31.3%		29.6%
Operating profit	3,639	4,450	6,118	8,541	1,938	2,883	4,426	3,928	-7,986	-12,552		-22,498
YoY	24.8%	0.0%	-22.4%	-33.9%	-46.7%	-35.2%	-27.7%	-54.0%	-	-		-
OPM	2.1%	1.3%	1.2%	1.2%	1.1%	0.8%	0.8%	0.6%	-9.9%	-5.6%		-4.3%

Parent company Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Operating revenue	175,856	176,432	174,565	202,345	176,677	179,838	176,473	189,248	83,593	147,056
YoY	1.5%	0.7%	-0.6%	0.9%	0.5%	1.9%	1.1%	-6.5%	-52.7%	-18.2%
Sales	172,536	173,077	171,026	198,694	173,097	176,175	172,878	185,468	80,330	143,641
YoY	1.6%	0.7%	-0.7%	0.7%	0.3%	1.8%	1.1%	-6.7%	-53.6%	-18.5%
Gross profit	41,598	42,186	41,349	46,745	41,229	41,978	41,430	43,089	17,279	33,584
YoY	1.4%	1.1%	-1.5%	-1.3%	-0.9%	-0.5%	0.2%	-7.8%	-58.1%	-20.0%
GPM	24.1%	24.4%	24.2%	23.5%	23.8%	23.8%	24.0%	23.2%	21.5%	23.4%
SG&A expenses	41,279	44,730	43,220	47,973	42,871	44,695	43,485	47,364	28,528	41,566
YoY	-0.3%	2.8%	3.4%	5.0%	3.9%	-0.1%	0.6%	-1.3%	-33.5%	-7.0%
SG&A ratio	23.9%	25.8%	25.3%	24.1%	24.8%	25.4%	25.2%	25.5%	35.5%	28.9%
Operating profit	3,639	811	1,668	2,423	1,938	945	1,543	-498	-7,986	-4,566
YoY	24.8%	-47.2%	-51.3%	-51.9%	-46.7%	16.5%	-7.5%	-	-	-
OPM	2.1%	0.5%	1.0%	1.2%	1.1%	0.5%	0.9%	-0.3%	-9.9%	-3.2%

Source: Shared Research based on company data

Commercial Property Development

Quarterly results

Commercial Property Development Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21		FY02/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of Est.	FY Est.
Operating revenue	10,504	10,475	10,571	12,131	11,365	11,162	11,261	11,743	8,397	9,092	46.4%	37,708
YoY	5.5%	5.1%	7.0%	-31.4%	8.2%	6.6%	6.5%	-3.2%	-26.1%	-18.5%		-17.2%
Toshin Development	10,433	10,552	11,080	11,765	11,043	11,044	11,137	11,372	8,272	10,416	47.4%	39,426
YoY	4.2%	3.7%	12.2%	-47.1%	5.8%	4.7%	0.5%	-3.3%	-25.1%	-5.7%		-11.6%
Toshin Development Singapore	2,272	2,200	2,191	2,226	2,267	2,167	2,114	2,189	2,087	612	53.4%	5,056
YoY	2.2%	-0.7%	-1.3%	-2.9%	-0.2%	-1.5%	-3.5%	-1.7%	-7.9%	-71.8%		-42.1%
Operating profit	2,638	2,094	2,256	2,422	2,914	2,108	2,505	2,395	2,112	1,126	70.0%	4,623
YoY	-5.2%	-9.6%	-7.7%	-37.1%	10.5%	0.7%	11.0%	-1.1%	-27.5%	-46.6%		-53.4%
OPM	25.1%	20.0%	21.3%	20.0%	25.6%	18.9%	22.2%	20.4%	25.2%	12.4%		12.3%
Toshin Development	2,026	1,586	1,730	1,977	1,981	1,324	1,787	1,589	1,194	941	55.7%	3,833
YoY	-7.1%	-12.0%	-0.3%	-40.5%	-2.2%	-16.5%	3.3%	-19.6%	-39.7%	-28.9%		-42.6%
OPM	19.4%	15.0%	15.6%	16.8%	17.9%	12.0%	16.0%	14.0%	14.4%	9.0%		9.7%
Toshin Development Singapore	638	539	535	482	851	721	780	745	757	83	180.3%	466
YoY	3.4%	-5.8%	-6.0%	-33.6%	33.4%	33.8%	45.8%	54.6%	-11.0%	-88.5%		-85.0%
OPM	28.1%	24.5%	24.4%	21.7%	37.5%	33.3%	36.9%	34.0%	36.3%	13.6%		9.2%

Source: Shared Research based on company data

Note: Effective Q3 FY02/20, the name of the Real Estate segment was changed to the Commercial Property Development segment.

Starlake Project is an urban development project on the western side of West Lake (Ho Tay), some six kilometers northwest of the central business district (CBD) in Hanoi, Vietnam. The land involved is situated close to the high-end residential area bordering West Lake. An urban rail system will be constructed, allowing excellent access to central Hanoi and the airport. Toshin Development will acquire land use rights for two lots within the

development area (Lots A and B). It will construct and hold properties therein, operating a real estate leasing business with the properties used as schools, commercial buildings, offices, and other facilities. For Lot A, Toshin Development will take the lead in developing the real estate business, while its business partner will take the lead in the school operation business (Toshin Development will have a 25.01% stake). In the school business, the plan is to open a bilingual school in early 2021. For Lot B, the company aims to begin a multi-use project centered on retail facilities in 2022 or later.

Indochina Plaza Hanoi is a commercial, office, and residential building complex completed in 2012 on the busy Xuan Thuy Street in the Cau Giay district of Hanoi, Vietnam. It sits on a 16,619sqm site and has 24,900sqm of floor space in its commercial section and 17,400sqm in its office section. The plaza has good access to the airport and is situated close to the National University Station (still under construction) on the No. 3 line of the metropolitan railway. The area is popular with Japanese expatriates as there is a Japanese school nearby. Takashimaya plans to renovate the commercial section and make other improvements to add value to the property, which it acquired jointly with Shimizu Corporation in November 2019. Toshin Development holds a 60% stake.

Finance

Quarterly results

Finance Quarterly (JPYmm)	FY02/19				FY02/20				FY02/21		FY02/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of Est.	FY Est.
Operating revenue	4,111	3,883	3,869	4,031	4,363	4,256	4,383	4,455	4,035	4,068	52.0%	15,571
YoY	14.0%	8.2%	14.6%	11.5%	6.1%	9.6%	13.3%	10.5%	-7.5%	-4.4%		-10.8%
Takashimaya Credit	4,833	4,674	4,774	4,884	5,031	5,110	5,242	5,313	4,551	4,944	48.5%	19,585
YoY	4.6%	3.6%	3.6%	3.9%	4.1%	9.3%	9.8%	8.8%	-9.5%	-3.2%		-5.4%
Operating profit	1,359	1,358	1,398	1,331	1,401	1,205	1,271	1,001	1,058	1,048	54.8%	3,846
YoY	14.2%	29.0%	36.4%	2.8%	3.1%	-11.3%	-9.1%	-24.8%	-24.5%	-13.0%		-21.2%
OPM	33.1%	35.0%	36.1%	33.0%	32.1%	28.3%	29.0%	22.5%	26.2%	25.8%		24.7%
Takashimaya Credit	1,167	1,239	1,270	1,216	1,212	1,179	1,163	945	1,063	1,052	54.7%	3,865
YoY	-1.4%	18.3%	24.8%	-6.1%	3.9%	-4.8%	-8.4%	-22.3%	-12.3%	-10.8%		-14.1%
OPM	24.1%	26.5%	26.6%	24.9%	24.1%	23.1%	22.2%	17.8%	23.4%	21.3%		19.7%

Source: Shared Research based on company data

Note: From FY02/20, Takashimaya insurance was transferred from Other to Finance segment (data in table above retrospectively adjusted).

Note: In Q1 FY02/21, Takashimaya Insurance merged with Takashimaya Credit via an absorption-type merger with Takashimaya Credit as the surviving entity. It subsequently changed its name to Takashimaya Financial Partners Co., Ltd. The figures above have not been retroactively adjusted to reflect this merger.

Contract and Design

Quarterly results

Contract and Design Quarterly (JPYmm)	FY02/19				FY02/20				FY02/21		FY02/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of Est.	FY Est.
Operating revenue	5,354	6,842	5,407	7,192	6,628	9,741	6,357	10,464	7,258	5,318	63.5%	19,803
YoY	-22.7%	6.2%	10.9%	-6.3%	23.8%	42.4%	17.6%	45.5%	9.5%	-45.4%		-40.3%
Takashimaya Space Create	6,198	9,226	7,847	8,359	7,285	10,852	8,238	9,991	7,358	5,468	58.6%	21,876
YoY	-18.8%	32.9%	17.6%	3.5%	17.5%	17.6%	5.0%	19.5%	1.0%	-49.6%		-39.8%
Operating profit	-39	480	114	172	175	583	528	493	115	-236	-	-1,051
YoY	-	1.3%	-	-73.1%	-	21.5%	363.2%	186.6%	-34.3%	-		-
OPM	-0.7%	7.0%	2.1%	2.4%	2.6%	6.0%	8.3%	4.7%	1.6%	-4.4%		-5.3%
Takashimaya Space Create	-33	461	129	198	173	581	530	471	115	-236	-	-1,052
YoY	-	-3.2%	-	-69.2%	-	26.0%	310.9%	137.9%	-33.5%	-		-
OPM	-0.5%	5.0%	1.6%	2.4%	2.4%	5.4%	6.4%	4.7%	1.6%	-4.3%		-4.8%

Source: Shared Research based on company data

Note: In Q1 FY02/21, Takashimaya Space Create merged with Takashimaya Space Create Tohoku via an absorption-type merger with Takashimaya Space Create as the surviving entity. The figures above have not been retroactively adjusted to reflect this merger.

Other

Quarterly results

Other Quarterly (JPYmm)	FY02/19				FY02/20				FY02/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Operating revenue	7,743	8,874	9,180	10,634	8,008	9,168	9,544	11,418	7,896	9,324
YoY	1.4%	8.9%	18.8%	-10.8%	3.4%	3.3%	4.0%	7.4%	-1.4%	1.7%
Operating profit	262	601	606	902	347	629	684	902	20	356
YoY	-52.4%	-25.2%	-12.0%	-30.0%	32.4%	4.7%	12.9%	0.0%	-94.2%	-43.4%
OPM	3.4%	6.8%	6.6%	8.5%	4.3%	6.9%	7.2%	7.9%	0.3%	3.8%

Source: Shared Research based on company data

For reference: Domestic department store performance by store

Domestic department store sales

Sales by store Quarterly (JPYmn)	FY02/19				FY02/20				FY02/21		FY02/21	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	% of Est.	FY Est.
Total sales	185,262	185,647	183,894	213,645	185,797	188,884	185,770	199,833	87,287	154,617	42.5%	569,016
YoY	1.4%	0.5%	-0.8%	0.7%	0.3%	1.7%	1.0%	-6.5%	-53.0%	-18.1%		-25.2%
Takashimaya (parent)	172,536	173,077	171,026	198,694	173,097	176,175	172,878	185,468	80,330	143,641	42.4%	527,792
YoY	1.6%	0.7%	-0.7%	0.7%	0.3%	1.8%	1.1%	-6.7%	-53.6%	-18.5%		-25.4%
Osaka	36,066	34,803	35,541	40,861	38,471	37,560	36,829	36,701	13,848	26,570	39.6%	102,033
YoY	6.1%	4.0%	2.8%	3.7%	6.7%	7.9%	3.6%	-10.2%	-64.0%	-29.3%		-31.8%
% of total sales	20.9%	20.1%	20.8%	20.6%	22.2%	21.3%	21.3%	19.8%	17.2%	18.5%		19.3%
Sakai	3,078	3,328	2,788	3,431	2,736	2,997	2,607	3,325	1,647	2,826	44.9%	9,958
YoY	1.0%	1.1%	-8.3%	-8.3%	-11.1%	-9.9%	-6.5%	-3.1%	-39.8%	-5.7%		-14.6%
% of total sales	1.8%	1.9%	1.6%	1.7%	1.6%	1.7%	1.5%	1.8%	2.1%	2.0%		1.9%
Kyoto	21,785	21,465	21,625	25,468	21,984	21,938	22,081	23,562	10,089	17,540	42.1%	65,633
YoY	5.3%	2.1%	0.5%	2.3%	0.9%	2.2%	2.1%	-7.5%	-54.1%	-20.0%		-26.7%
% of total sales	12.6%	12.4%	12.6%	12.8%	12.7%	12.5%	12.8%	12.7%	12.6%	12.2%		12.4%
Senboku	3,831	4,429	3,828	5,031	3,830	4,207	3,780	4,674	2,467	4,114	44.7%	14,739
YoY	0.1%	3.6%	0.4%	1.4%	0.0%	-5.0%	-1.3%	-7.1%	-35.6%	-2.2%		-10.6%
% of total sales	2.2%	2.6%	2.2%	2.5%	2.2%	2.4%	2.2%	2.5%	3.1%	2.9%		2.8%
Nhombashi	31,518	30,429	31,270	36,091	30,856	32,188	32,696	35,050	20,115	28,817	44.6%	109,759
YoY	-3.2%	-5.2%	-6.8%	0.2%	-2.1%	5.8%	4.6%	-2.9%	-34.8%	-10.5%		-14.1%
% of total sales	18.3%	17.6%	18.3%	18.2%	17.8%	18.3%	18.9%	18.9%	25.0%	20.1%		20.8%
Yokohama	31,902	32,476	32,037	36,113	31,559	32,018	32,173	33,752	12,613	16,684	30.6%	95,825
YoY	1.2%	1.6%	0.1%	-0.1%	-1.1%	-1.4%	0.4%	-6.5%	-60.0%	-47.9%		-26.0%
% of total sales	18.5%	18.8%	18.7%	18.2%	18.2%	18.2%	18.6%	18.2%	15.7%	11.6%		18.2%
Konandai	1,817	2,039	1,861	2,262	1,779	1,986	1,753	2,131	1,106	2,108	100.0%	3,214
YoY	-4.4%	-3.8%	-1.3%	-3.0%	-2.1%	-2.6%	-5.8%	-5.8%	-37.8%	6.1%		-58.0%
% of total sales	1.1%	1.2%	1.1%	1.1%	1.0%	1.1%	1.0%	1.1%	1.4%	1.5%		0.6%
Shinjuku	18,397	18,070	17,932	20,425	18,235	17,879	16,928	18,682	6,675	12,279	41.8%	45,339
YoY	4.8%	4.7%	1.6%	-2.2%	-0.9%	-1.1%	-5.6%	-8.5%	-63.4%	-31.3%		-36.8%
% of total sales	10.7%	10.4%	10.5%	10.3%	10.5%	10.1%	9.8%	10.1%	8.3%	8.5%		8.6%
Tamagawa	10,044	11,110	10,117	12,484	9,839	10,993	10,204	11,889	4,831	9,968	42.4%	34,929
YoY	0.4%	2.4%	-1.7%	-0.3%	-2.0%	-1.1%	0.9%	-4.8%	-50.9%	-9.3%		-18.6%
% of total sales	5.8%	6.4%	5.9%	6.3%	5.7%	6.2%	5.9%	6.4%	6.0%	6.9%		6.6%
Tachikawa	2,268	2,490	2,189	2,681	2,035	2,269	2,204	2,551	1,099	2,222	42.3%	7,842
YoY	-31.5%	-30.6%	-11.6%	-9.3%	-10.3%	-8.9%	0.7%	-4.8%	-46.0%	-2.1%		-13.4%
% of total sales	1.3%	1.4%	1.3%	1.3%	1.2%	1.3%	1.3%	1.4%	1.4%	1.5%		1.5%
Omiya	2,301	2,588	2,364	2,722	2,182	2,515	2,265	2,480	1,158	2,013	43.2%	7,334
YoY	-0.5%	-3.9%	-1.2%	-1.4%	-5.2%	-2.8%	-4.2%	-8.9%	-46.9%	-20.0%		-22.3%
% of total sales	1.3%	1.5%	1.4%	1.4%	1.3%	1.4%	1.3%	1.3%	1.4%	1.4%		1.4%
Kashiwa	9,522	9,851	9,476	11,123	9,590	9,620	9,358	10,671	4,677	8,500	42.3%	31,187
YoY	4.4%	6.3%	4.4%	4.1%	0.7%	-2.3%	-1.2%	-4.1%	-51.2%	-11.6%		-20.5%
% of total sales	5.5%	5.7%	5.5%	5.6%	5.5%	5.5%	5.4%	5.8%	5.8%	5.9%		5.9%
Domestic subsidiaries												
Okayama Takashimaya	4,475	4,221	4,614	5,066	4,514	4,453	4,624	4,936	2,924	4,006	45.5%	15,247
YoY	-3.3%	-4.7%	0.5%	0.8%	0.9%	5.5%	0.2%	-2.6%	-35.2%	-10.0%		-17.7%
Gifu Takashimaya	3,370	3,345	3,306	4,034	3,230	3,305	3,319	3,777	1,726	3,155	41.5%	11,750
YoY	-3.0%	-4.9%	-5.9%	-3.0%	-4.2%	-1.2%	0.4%	-6.4%	-46.6%	-4.5%		-13.8%
Yonago Takashimaya	1,097	1,198	1,130	1,363	1,055	1,139	1,081	1,228	-	-	-	-
YoY	-7.7%	-0.5%	-3.1%	0.7%	-3.8%	-4.9%	-4.3%	-9.9%	-	-	-	-
Takasaki Takashimaya	3,782	3,805	3,819	4,488	3,899	3,811	3,870	4,422	2,306	3,814	43.0%	14,227
YoY	6.9%	2.9%	0.8%	1.5%	3.1%	0.2%	1.3%	-1.5%	-40.9%	0.1%		-11.1%

Source: Shared Research based on company data

Note: The company completed the sale of its entire stake in its Yonago Takashimaya in March 2020. The Konandai store closed on August 16, 2020.

Forecasts for FY02/21

Consolidated (JPYmn)	FY02/19			FY02/20			FY02/21		
	1H	2H	FY	1H	2H	FY	1H Act.	2H Est.	FY Est.
Operating revenue	441,524	471,324	912,848	453,144	465,950	919,094	297,352	384,648	682,000
YoY	1.9%	-0.7%	0.6%	2.6%	-1.1%	0.7%	-34.4%	-17.4%	-25.8%
Sales	409,356	437,538	846,894	417,630	430,864	848,494	268,559	353,535	622,094
YoY	1.9%	-1.2%	0.2%	2.0%	-1.5%	0.2%	-35.7%	-17.9%	-26.7%
Gross profit	105,797	111,606	217,403	106,453	108,672	215,125	64,207	86,504	150,711
YoY	1.8%	-2.5%	-0.5%	0.6%	-2.6%	-1.0%	-39.7%	-20.4%	-29.9%
GPM	25.8%	25.5%	25.7%	25.5%	25.2%	25.4%	23.9%	24.5%	24.2%
SG&A expenses	124,544	132,151	256,695	128,543	131,599	260,142	103,219	125,398	228,617
YoY	2.6%	6.1%	4.4%	3.2%	-0.4%	1.3%	-19.7%	-4.7%	-12.1%
SG&A ratio	30.4%	30.2%	30.3%	30.8%	30.5%	30.7%	38.4%	35.5%	36.7%
Operating profit	13,420	13,241	26,661	13,424	12,158	25,582	-10,217	-7,783	-18,000
YoY	-3.4%	-38.2%	-24.5%	0.0%	-8.2%	-4.0%	-	-	-
OPM	3.3%	3.0%	3.1%	3.2%	2.8%	3.0%	-3.8%	-2.2%	-2.9%
Recurring profit	16,125	15,109	31,234	12,659	10,541	23,200	-10,914	-8,586	-19,500
YoY	3.1%	-34.2%	-19.1%	-21.5%	-30.2%	-25.7%	-	-	-
RPM	3.9%	3.5%	3.7%	3.0%	2.4%	2.7%	-4.1%	-2.4%	-3.1%
Net income	8,782	7,661	16,443	12,404	3,624	16,028	-23,284	-13,216	-36,500
YoY	-2.6%	-47.7%	-30.5%	41.2%	-52.7%	-2.5%	-	-	-
Net margin	2.1%	1.8%	1.9%	3.0%	0.8%	1.9%	-8.7%	-3.7%	-5.9%

Source: Shared Research based on company data

This note is the most recent addition to the [full report](#).

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