Takashimaya Group Integrated Report 2024

The Management Philosophy of the Takashimaya Group

“Putting People First”

The Takashimaya Group contributes to society by valuing the spirit of “Believing in people, loving people, and serving people.”

Since 1991, the Takashimaya Group (hereinafter referred to as the “Group”) has established its management philosophy as “Putting People First,” which we have adopted as the basic value or criteria for our corporate decisions and activities. In addition to defining five guiding policies for realizing our management philosophy, we also communicate our corporate message both internally and externally to convey the ideal image of our organization.

The Group’s Five Policies

- Service that remains within the heart
- Creation of new lifestyles and cultures that open up the future
- Contributing to creating vibrant local communities
- Unceasing efforts to protect the global environment
- Activities trusted by the community

The Group’s Founding Spirit

“The Store Creed”

- We shall sell quality goods at reasonable prices, for the benefit of ourselves and others .
- We sell at fair prices of goods .
- We shall clearly inform customers of the quality of the goods and shall not mislead them in any way.
- We shall treat customers equally, without discrimination based on wealth or status.

Corporate Message

New Yet Unchanging

We can renew ourselves because of our tradition.
We shall maintain our soothing values rooted in the era.

To retain unchanged that which we wish to keep,
but be flexible enough to change with the times.
Our heartfelt services remain unchangeable as we discover
what we must change in order to please our customers,
with all our staff as one mind. This is how Takashimaya evolves.

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Editorial Policy

This Integrated Report was created and published for the first time this year with the objective of enhancing our stakeholders' comprehension of the values and history of the Group from its foundation to the present day and of how the Group will leverage the strengths it has cultivated to achieve sustainable future growth.
Furthermore, based on the Group's founding Store Creed, this report has been compiled with the intention of providing a deeper understanding of the Group's unique characteristics, from its customer-first policy to its human capital management, which is firmly rooted in its Management Philosophy of "Putting People First," and its three core advantages, which are the driving force behind the Group's comprehensive "Machi-dukuri" strategy.
We hope that the publication of this Integrated Report will facilitate further dialogue with our stakeholders.

Reporting Scope

Takashimaya Co., Ltd. and Group Companies

Reporting Period

FY2023 (March 1, 2023 to February 29, 2024)
*Unless otherwise indicated, the figures shown are for the period to February 2024 or as of the end of February 2024.
*To the extent possible, the most-current information at the time of publication is also included.

Reference Guidelines

・"International Integrated Reporting Framework," International Integrated Reporting Council (IIRC)
・"Guidance for Collaborative Value Creation," Ministry of Economy, Trade and Industry

Environment Social Governance 価値協創ガイダンス Guidance for Collaborative Value Creation

Published by

Takashimaya Co., Ltd.

Important Notice Regarding Forward-Looking Statements

The performance plans and forward-looking statements contained in this report are based on information available at the time of publication and are subject to potential risks and uncertainties.
Accordingly, actual performance may differ significantly from the forward-looking statements due to various factors.

Information Disclosure Media

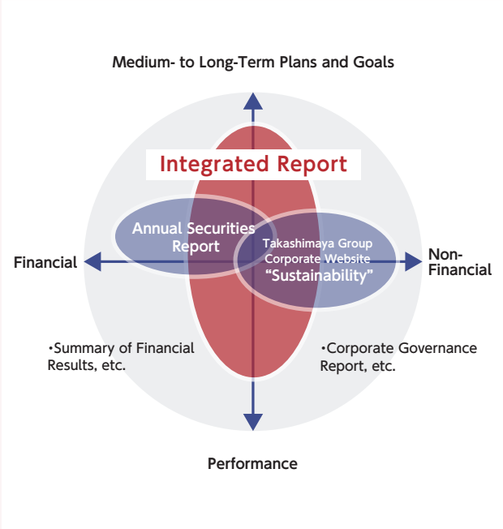
Further detailed information can be found below, which does not form part of this Integrated Report.

●Takashimaya Group Corporate Website
https://www.takashimaya.co.jp/index.html

Inquiries Regarding this Integrated Report

Public and Investor Relations Office, Takashimaya Co., Ltd.
https://www.takashimaya.co.jp/contact/pr/

Positioning of the Integrated Report



At a Glance – Takashimaya in Numbers

The Group, centered on its core department store business segment and its 27 consolidated subsidiaries in commercial property development, finance, construction and design, and other segments, is actively pursuing its Group-wide "Machi-dukuri" strategy to achieve stable, sustainable growth.
In addition, we are committed to contributing to the creation of an enriched society through human capital management and ESG management, based on our fundamental value of "Putting People First," as expressed in our Group Management Philosophy.

Establishment

1831

Takashimaya was founded on January 10.
Shinshichi Iida (first generation) set up a used clothing business in Karasuma Matsubara, Kyoto.

Shinshichi Iida (first generation)

Business Results for FY2023

●Consolidated total operating revenue
952.2 billion yen

●Consolidated operating profit
45.9 billion yen

Number of Employees

●Consolidated
10,768 employees

●Non-consolidated
6,845 employees

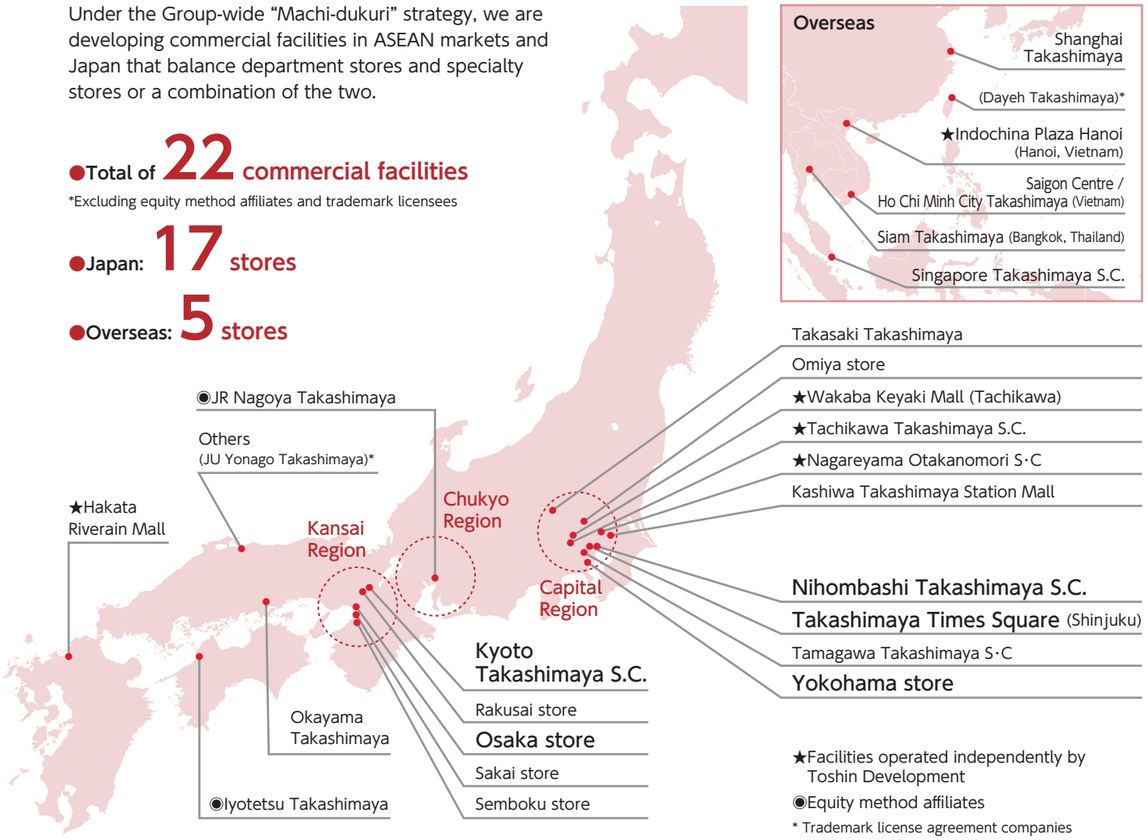
Store Network (As of End of August 2024)

Under the Group-wide "Machi-dukuri" strategy, we are developing commercial facilities in ASEAN markets and Japan that balance department stores and specialty stores or a combination of the two.

●Total of **22** commercial facilities
*Excluding equity method affiliates and trademark licensees

●Japan: **17** stores

●Overseas: **5** stores



Number of Takashimaya Card Members

Approx. 2.4 million

In order to increase the practical effectiveness of our customer policy, which is the foundation of our sales strategy, we are working to build closer ties with Takashimaya fans by offering points programs and preferential treatment to our cardholders.

Expanding contact points with a Wider Range of Customers

The "Takashimaya Tomonokai" (Rose Circle) is a membership program that allows customers to save a fixed amount each month for 12 months and to use that amount to enjoy great shopping deals at Takashimaya. The app version of this program, called "Sugo Tsumi," is also proving popular, attracting a wide range of customers.

スゴ積み

Maximizing Customer contact points Through Business Partnerships

By collaborating with businesses that are highly synergistic with our Company, we are expanding our avenues of contact points with customers.
We are working to create a broader base of Takashimaya fans.

Human Capital and Work Style Data

Our Group employs over 10,000 individuals. We are committed to creating an environment where everyone, regardless of gender, and with diverse values and life backgrounds, can work comfortably and thrive.

*Figures for indices without notes are for the domestic group (including domestic consolidated companies and Takashimaya Transcosmos IC Japan)

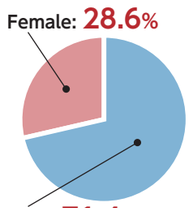
●Average age of employees
47.8 years old

●Average length of service
22.3 years
Male: **21.2** years
Female: **23.2** years

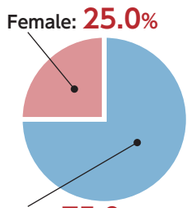
●Rate of paid-leave use
75.9%
15.1 days per capita

●Employee turnover rate
3.0%

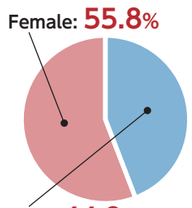
●Ratio of male to female managers



●Ratio of male to female directors



●Ratio of male to female employees
*Consolidated



●Number of employees using short-time work (childcare, family care, etc.)
503 employees

●Rate of male employees taking childcare leave
125%

*Individuals who began childcare leave during the fiscal year / individuals whose spouse gave birth during the fiscal year

●Awards and certifications

2024 Health and Productivity Management Outstanding Organization (Large Enterprise Category) (March 2024)

Prime Minister's Award for Leading Companies Where Women Shine (December 2017)

Eruboshi Certification by the Ministry of Health, Labour and Welfare (June 2016)

Platinum Kurumin Certification (November 2015)

Diversity Management Selection 100 (2014)

PRIDE Index 2024 "Gold" (November 2024)

At a Glance – Our Diverse Businesses Supporting the Group

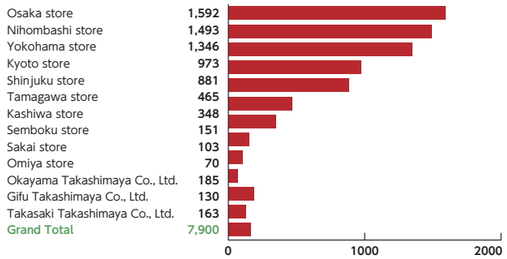
Department Stores in Japan

- **Takashimaya Co., Ltd.**
- **Okayama Takashimaya Co., Ltd.**
- **Takasaki Takashimaya Co., Ltd.**
- **JR Tokai Takashimaya Co., Ltd.** *An equity method affiliate
- **Iyotetsu Takashimaya Co., Ltd.** *An equity method affiliate

Since its founding in 1831, the Group has achieved sustainable growth by readily adapting to changes in the social environment. The domestic department store business is an essential point of contact with our customers and is at the core of the Group's brand value of delivering "new products and services that enrich lifestyles" and bringing "extraordinary experiences" to life.
Going forward, as part of our Group-wide "Machi-dukuri" strategy, we will strive to further refine the appeal of our one-stop services, omotenashi (hospitality) and cultural elements as the core of the shopping centers (SC) and communities in which we operate and to continue to be a familiar presence that is close to our customers' lives and lifestyles while meeting their expectations.

Takashimaya Osaka store

●Domestic Sales by Store (Unit: 100 million yen)



*Sales figures of the Corporate Business Department and the Cross-Media Business Department are included in the sales figures of the stores in the respective regions in which they are located.
*Sales figures of the Outlet and Private Brand Food Department are included in the Nihombashi store.
*Sales figures for e-commerce stores are included in the Nihombashi, Osaka, and Kyoto stores.
*Sales figures of the Rakusai store are included in the Kyoto store.
*Gifu Takashimaya closed at the end of July 2024.
*JR Tokai Takashimaya Co., Ltd. and Iyotetsu Takashimaya Co., Ltd. are excluded from the chart, as they are not included in the scope of consolidation.
*Figures are presented based on sales prior to the application of the Accounting Standard for Revenue Recognition, etc.
*Gifu Takashimaya closed at the end of July 2024.
*JR Tokai Takashimaya Co., Ltd. and Iyotetsu Takashimaya Co., Ltd. are excluded from the chart, as they are not included in the scope of consolidation.

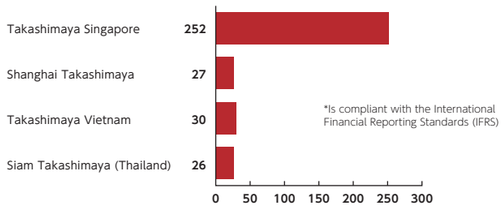
Overseas Department Stores

- **Takashimaya Singapore Ltd.**
- **Shanghai Takashimaya Co., Ltd.**
- **Takashimaya Vietnam Ltd.**
- **Siam Takashimaya (Thailand) Co., Ltd.**

Since the opening of Singapore Takashimaya S.C. in 1993, the Group has been expanding its department store business not only in Japan but also in the fast-growing Asian market. At present, we operate stores in Shanghai (China), Ho Chi Minh City (Vietnam), and Bangkok (Thailand). The stores are designed to reflect the unique culture and needs of each country while incorporating the Japanese concept of omotenashi (hospitality) and other hallmarks of our department stores.
In Vietnam, plans are also underway to open a second store in Hanoi.
While promoting the development of local staff who are key to streamlined store operations, we are also actively engaged in promoting our "Machi-dukuri" strategy through community-based sales activities.

Saigon Centre / Ho Chi Minh City Takashimaya (Vietnam)

●Operating Revenue by Overseas Store (Unit: 100 million yen)



*Is compliant with the International Financial Reporting Standards (IFRS)

Commercial Property Development in Japan

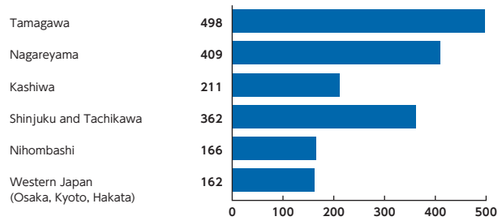
- **Toshin Development Co., Ltd.**

Since the opening of Tamagawa Takashimaya S.C. back in 1969—a full-scale suburban shopping center in the rural area of Futakotamagawa—the Group, spearheaded by Toshin Development, has been promoting "Machi-dukuri" projects in areas such as Futakotamagawa and Nagareyama and developing shopping centers with department stores as their core.
In recent years, Kyoto Takashimaya S.C. opened its doors in 2023, revamped with the addition of a new specialty store zone called "T8" based on the themes of "art & culture hub" and "encounters."
In addition, we are pursuing the function of shopping centers as social infrastructure and promoting the "transition to next-generation shopping centers" that can realize sustainable growth, such as enhancing the sustainability of each facility by tapping into location-specific characteristics.
Beyond simply developing facilities, we aim to create "Towards a future where everyone will have a place they want to live in, and visit." by offering a "place that stays in the heart" of customers who visit our shopping centers.

Tamagawa Takashimaya S·C

Nagareyama Otakanomori S·C

●Sales of Specialty Stores by Domestic Location (Unit: 100 million yen)



Overseas Commercial Property Development

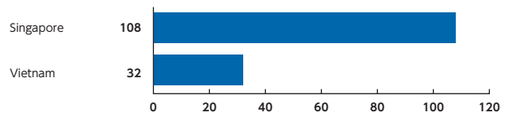
<Singapore>
- **Toshin Development Singapore Pte. Ltd.**

<Vietnam>
- **Toshin Development Vietnam Ltd.**
  Other local operating companies

Building on the development expertise cultivated at Singapore Takashimaya S.C. and the Group's ASEAN presence firmly established at Saigon Centre, a landmark complex in the heart of Ho Chi Minh City, we are actively expanding our overseas development business, led by Toshin Development. In particular, we are currently focusing on investing management resources in Vietnam, a country expected to experience high growth, and are participating in the Star Lake Project, a new urban township development in Hanoi, where an integrated complex is being developed that will serve as a platform for the area in terms of consumption, experience, and information exchange, among other aspects.
In addition, through alliances with leading local companies and major Japanese corporations, we are working on "Machi-dukuri" projects on an even larger scale by developing businesses beyond commercial facilities, such as educational institutions, offices, and housing.

Star Lake Project B (Hanoi, from 2027 onwards)

●Operating Revenue by Overseas Location (Unit: 100 million yen)



*Is compliant with the International Financial Reporting Standards (IFRS)

Finance

Takashimaya Financial Partners Co., Ltd.
Vaste Culture & Cie.

The Group has positioned its financial business as its "third pillar" after the department store and commercial development businesses and is currently seeking to expand financial services as part of the department store product lineup, with Takashimaya Financial Partners at its core.
Specifically, we are developing a credit card business that takes advantage of the local appeal of the communities in which we operate, a life partner business that provides financial planning and lifestyle advice solutions, and a B2B business that provides services to business owners and managers, centered on the Takashimaya Card <Business Platinum>.
Furthermore, in March 2024, Takashimaya entered into a capital and business alliance with Fanta, Inc., which is engaged in the real estate investment business with a focus on healthcare facilities, and in June of the same year, we welcomed Vaste Culture & Cie., an independent financial advisor (IFA), to our Group.
Looking ahead, we will continue to pursue the maximization of customer lifetime value by actively expanding our business and service domains.

Takashimaya Financial Counter Nihombashi store
(Nihombashi Takashimaya S.C. Main Bldg. 8F)

Construction & Design

Takashimaya Space Create Co., Ltd.

The origins of the Group's construction and design business date back to 1878, when we first ventured into interior design.
Today, drawing on the expertise in spatial design and monozukuri craftsmanship that we have developed over the years, we are involved in a wide range of interior design and construction management projects, including our own department stores and commercial facilities, including luxury brands, upscale hotels, and private residences.
Through our spatial design, we give shape to our customers' dreams and desires, creating new value in terms of premium spatial quality.
Our goal is also to bring a sense of contentment and happiness to the people who spend time in these spaces.
Under Takashimaya Space Create's aspiration of "Creating comfortable spaces and quality time to bring more happiness to people," we aim to fulfill our social significance by providing the industry's best comprehensive solutions through a combination of diverse soft skills and hard skills.

109Cinemas Premium Shinjuku (December 2022)

The Ritz-Carlton, Nikko (July 2021)

Food & Restaurants

R.T. Corporation Co., Ltd.

In addition to operating signature restaurants such as "Din Tai Fung," "LINA STORES," and "Touchou (The Sweet Dynasty)," the company also operates cafes (Fauchon Le Café) and delicatessens (Fauchon Gastronomy) under the Fauchon brand.
The company also operates staff cafeterias at our Group facilities and cafeterias at external facilities.

Din Tai Fung

LINA STORES

Others

Temporary Personnel Services
Century & Co., Ltd.

The company is a temporary staffing agency that leverages the strengths of the Group to provide quality human resources services.

Advertising
All Takashimaya Agency (ATA) Co., Ltd.

The company is a full-service advertising agency that specializes in planning and producing digital and graphic advertising, spatial design, and merchandising.

Tomonokai Membership
Takashimaya Tomonokai Co., Ltd.

The company operates one of the largest membership organizations in the industry, offering shopping savings services such as the "Tomonokai Shopping Card (Rose Circle)" and "Sugo Tsumi."

Liquor Wholesale Business
Good Live Co., Ltd.

The company imports high-quality wines such as "Leroy" and "Thiénot," as well as wholesale of domestic and overseas alcoholic beverages and the management of stores.

Leroy

Thiénot

E-Commerce
Select Square Co., Ltd.

The company operates "Takashimaya Fashion Square," an online shopping site offering sophisticated apparel for adult consumers.

Wholesale & Retail
Takashimaya Transcosmos International Commerce Pte. Ltd.

The Singapore-based company is engaged in wholesale and retail sales, introducing and distributing high-quality Japanese products overseas.

Takashimaya Transcosmos IC Japan Co., Ltd.

The company operates the showrooming store "Meetz STORE" and is also developing cross-border wholesale e-commerce businesses for the Asian region.

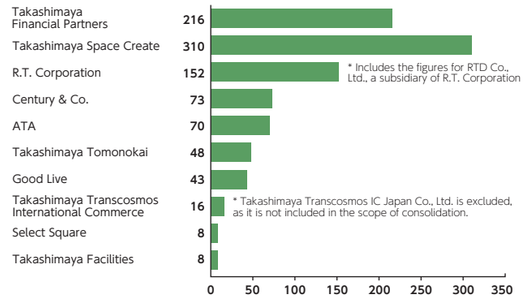
Facility Management
Takashimaya Facilities Co., Ltd.

The company handles the facility management and maintenance of our Group's commercial facilities and real estate assets.

Trading
Takashimaya France S.A.

This is a trading company that exports French foods and wine to our Group.

●Operating Revenue of Finance, Construction & Design, Others (Unit: 100 million yen)



*As the acquisition of Vaste Culture & Cie. shares was in June 2024, and as Takashimaya France S.A. is not included in the scope of consolidation, the two companies are not included in the chart.

Taking the Takashimaya Group's "Machi-dukuri" Strategy in Japan and Overseas, and beyond

Yoshio Murata
President, Takashimaya Co., Ltd.

Publication of the Integrated Report: Background and Purpose

This fiscal year, we formulated our Grand Design, which systematically outlines our ideal vision for 2031, the 200th anniversary of the founding of our Group.
As part of the process of formulating the Grand Design, we sought to gather the opinions of all Group employees, including those overseas, by conducting both web-based surveys and face-to-face meetings.
We held in-depth discussions on topics such as "What kind of company should we strive to be in 2031?" and "What kind of role do I want to play?"
This is the first time that our Group has published an integrated report to accompany the formulation of the Grand Design.
We have integrated information on our financial and non-financial initiatives to ensure our continued relevance to society and sustainable growth, and we will actively use this information in our dialogue with stakeholders.

History and Spirit: The Foundation of Our Business Activities

The "Store Creed" established by the company's founder, Shinshichi Iida (first generation), have been passed down through the generations within the Group. These creeds, which could also be construed as our "founding spirit," clearly express today's ESG management.
For example, "We shall sell quality goods at reasonable prices, for the benefit of ourselves and others" is a concept that is similar to the "Sanpo Yoshi" or "Three-Way Satisfaction" (good for the seller, good for the buyer, good for society) philosophy of the Omi Merchants, and in the modern era, it is precisely in keeping with CSR and public interest.
Additionally, "We shall clearly inform customers of the quality of the goods and shall not mislead them in any way" can be paraphrased as "putting the customer first" and "consumer protection."
Furthermore, "We shall treat customers equally, without discrimination based on wealth or status. is a principle that defines the societal nature of our Group, which should be a familiar presence for the general public without favoring any particular customer segment.
Guided by this fundamental approach since our founding, the Group has continued to take innovative approaches while remaining attuned to the trends of the times.
Over the course of its history, Takashimaya has forged its own path with an enterprising spirit, expanding its sales channels overseas within half a century of its founding in the Meiji era, deepening its exchanges with the pre-war Japan Art Institute, including the renowned painter Yokoyama Taikan, and, after the war, opening the pioneering suburban shopping center, the Tamagawa Takashimaya S·C
I believe that the reason why we have been able to thrive as a group to this day is that we have never become complacent with the status quo—we have always embraced new challenges, boldly venturing into new businesses.
At present, we have three core advantages: (1) multiple profit-generating bases in Japan and Asia; (2) a broad customer base ranging from affluent to middle-class customers; and (3) excellent group companies with unique competitive strengths in their respective industries.
It goes without saying that these competitive advantages are supported by our various stakeholders, including our employees with their challenging spirit, our customers who have supported the Group for generations, our business partners who are integral and irreplaceable collaborators in the co-creation of value, our local communities, and our shareholders and investors.
Our management philosophy, "Putting People First," is a testament to our commitment to the enduring truth of the importance of people.

A Retrospective of the Previous Medium-Term Management Plan

In 2020, the global spread of the COVID-19 pandemic was one of the most-significant management crises in our Group's history.
As we were forced to curtail our operations, a new realization dawned on me.
That is, the expectations placed on our entire Group as a social infrastructure or "spiritual anchor" for people of all generations have actually grown.
As a Group committed to the "Machi-dukuri" of developing attractive shopping centers with department stores at their core, I believe that this uncertain period made it evident that we must never lose the "warmth of personal interaction" and "communication among people" that cannot be fulfilled by online channels alone.
To ensure that these values are passed on to the next generation, we have made the domestic "structural reform of the department store business" an urgent and top priority in our Medium-Term Management Plan from FY2021.
We reduced the number of hierarchical levels within the organization, revitalized internal communication, and accelerated the speed of communication.
We also pursued thorough operational efficiencies, such as centralizing and internalizing back-office operations and standardizing the outsourcing of store maintenance to maximize economies of scale.
The human and financial resources freed up by these measures have been reallocated to areas directly related to sales and purchasing.
There is no denying that the second half of the three-year period of the Medium-Term Management Plan was boosted by the weakening of the yen and the resulting expansion of inbound demand, particularly for luxury brands and jewelry.
However, the fact that we were able to achieve a record-high consolidated operating profit of 45.9 billion yen and consolidated net profit of 31.6 billion yen in the final year of the plan, FY2023, is not only attributable to such changes in the environment but also a testament to our ability to improve the profitability of the Group as a whole, while revitalizing the department store business as a driver of profit generation.

Formulation of the 2031 Grand Design

After overcoming an unprecedented management crisis, I felt that the next step was to clearly define the vision of the ideal position of the Group from a medium- to long-term perspective.
The reason for this was to break free from "enduring without a vision" in the era of low growth and declining population in Japan and to share a common understanding of "where we should be heading" across the entire Group.
It was this that led to the formulation of the Grand Design that I mentioned at the beginning.
With regard to the Grand Design, we have set our Group's ideal position to become "A familiar platform that helps achieve fulfilling lifestyles for all our stakeholders."
The word "platform" in this context expresses our desire to be a place where people can meet and connect, serving as a hub in the lives of all our stakeholders.
Furthermore, I would like to outline the ideal form and state that our Group aims to achieve for each stakeholder.
In terms of our customers, I believe it is important to work together to create experiences that evoke a sense of the extraordinary and an enriched lifestyle while also building connections that transcend generations.
To this end, it is the role of our Group to continue to provide one-stop access to quality products and services that are safe and reliable.
For our employees and their families, we want to be a place that not only provides a means of livelihood but can also be a source of life, actively creating opportunities for self-fulfillment through the company while embracing diverse values.
With our business partners, we will build and share brand value while fulfilling our mutual social responsibilities in a partnership of value co-creation.
For local communities, we will go beyond simply creating work opportunities and will provide a broader range of functions as a social infrastructure, including industrial promotion, disaster prevention, childcare, and community building.
For our shareholders and investors, we will strive to achieve sustainable medium- to long-term growth in corporate value and provide stable returns in various forms, including dividends and special benefits.
In addition, as the fundamental premise for our business activities, the Earth itself is also an essential stakeholder.
As a Group with many customer and business touchpoints, we are fully committed to protecting our rich natural environment by working collectively to achieve carbon neutrality and resource recycling.
As a means to realize the platform that we seek, we will continue to advance our "Machi-dukuri" strategy.
Going forward, I believe we need to move away from the parent-child relationship within the Group that has been centered on the department store business and transition to a structure in which each of the Group's companies becomes a core player in value creation, on an equal footing and at an equal distance from customers and society.
In the long term, we aim to provide a unique value proposition that transcends traditional boundaries between domestic and overseas, department and specialty stores, and online and offline, seamlessly connecting customers and services.

Current Medium-Term Management Plan for Realizing the Grand Design

Together with the formulation of the Grand Design, we have also set out a new Medium-Term Management Plan that will continue through to FY2026.
We have defined the next three years as a period of "laying the groundwork" for the realization of the Grand Design, and we will focus on sowing the seeds for future growth and further increasing the visibility and strength of our internal capital.
Quantitatively, our primary goals are to achieve a consolidated operating profit of 60 billion yen and an ROIC of 6.3%.
With regard to specific key issues, there are three main points.
These are: "ESG," which constitutes the foundation of management; "Human Capital Management," which supports the growth of our Group; and accelerating growth through our "Machi-dukuri" strategy.
First, in the area of "ESG," while recognizing the significant social impact that we have as a driving force of consumer culture, we will promote multifaceted and proactive initiatives such as "TSUNAGU ACTION," a sustainable activity that we will undertake with our business partners and customers through environmentally friendly and ethical products and services.
In addition to reducing the environmental impact of our entire supply chain, we will contribute to the preservation of local traditional culture and technology and the freedom of people's lifestyles throughout the Group, and we will continue to balance business growth with the resolution of social issues.
In the area of "Human Capital Management," we will continue to roll out a series of diverse measures, including skills development, career support, and the promotion of diversity, equity, and inclusion, so that each and every one of our employees, whom we regard as our most-important asset in value creation, can maximize their performance.
In particular, we recognize that not only is it essential to improve employee engagement to boost performance, but it is also an issue that we must focus on from the perspective of retaining talent.
The term "employees" in this context does not necessarily refer only to our own employees.
Whether they are sales staff dispatched by our department store business partners or employees of tenants in our commercial development business, there are many people who are involved in our business even though they are not employed by our company.
Therefore, we will continue to proactively improve the working environment to also make it more pleasant for these people.
And in terms of our "Machi-dukuri" strategy, it is both a means and an end that clearly demonstrates our Group's sense of purpose.
While promoting data integration and the introduction of new content, we aim to enhance our Group's brand value to meet the expectations and gain the trust of all stakeholders by creating attractive next-generation shopping centers with department stores at their core, leveraging the combined strengths of the Group.
In terms of our area strategy, we will continue to pursue steady value enhancement of our established bases in Kansai and Kanto without relying on inbound demand while accelerating our mixed-use commercial and non-commercial development in Asia, with a particular focus on Vietnam.
In Vietnam, we plan to double our profit level from 2.2 billion yen in FY2023 to 4.4 billion yen in FY2026.
We will set ROIC targets for each business segment and promote capital-conscious management across the Group.

A Message to Our Stakeholders

From the time of our founding, our Group has been committed to putting our customers first, and I would like to express our gratitude to all our stakeholders with the word "okagenite" (meaning "thanks to").
While remembering this sentiment of "okagenite," and in order to meet the expectations of all our stakeholders, it is my sincere wish that our Group will be a place where people can realize their hopes and dreams.
The "Machi-dukuri" strategy, which has been led primarily by our department stores to date, will continue to grow with the goal of creating a seamless structure in which each company in the Group can provide services to customers from an equal distance while maintaining the department stores at its core.
To this end, we will continue to refine the brand value of the traditional Takashimaya brand and the global Takashimaya brand and further enhance our capabilities to meet the expectations and trust of our stakeholders.
We thank you for your continued support.

The Takashimaya Group's Value Creation Process

External Environmental Risks

- ○Domestic labor shortages, aging population, declining consumer base
- ○Rising direct and indirect costs
- ○Hollowing out of local domestic cities
- ○Increasing geopolitical risks
- ○Increasingly serious climate change

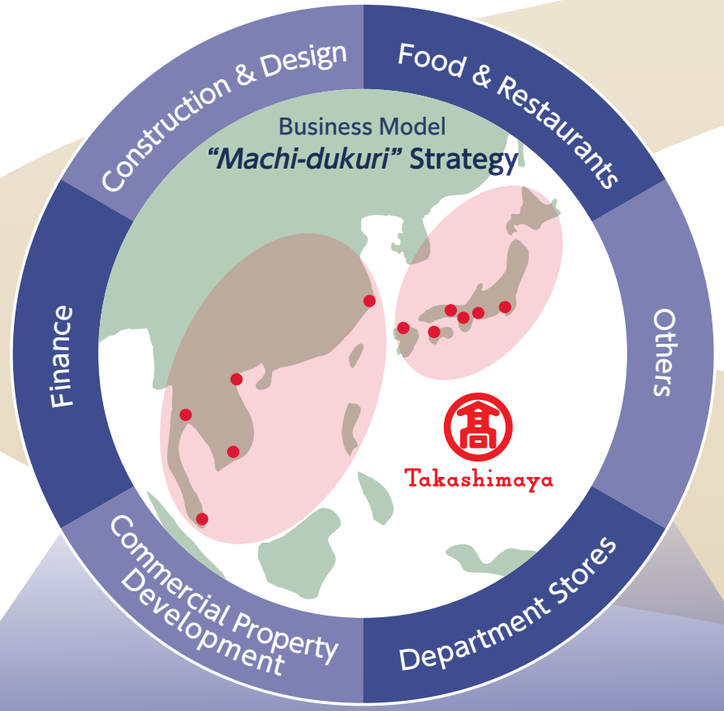
External Environmental Opportunities

- ○Economic growth and population increases in ASEAN countries
- ○Acceleration of digitalization and technological development
- ○Acceptance of diverse values, lifestyles, and work styles
- ○Trend from saving to investing

Fiscal years 2024 to 2026

Medium-Term Management Plan

⇒p.41



The Takashimaya Group's Advantages

⇒p.25

- Multiple Profit-Generating Bases in Japan and Asia
- Broad Customer Base
- Excellent Group Companies

Customers

- ○Building lifelong relationships across generations
- ○Providing quality, safety, and reliability
- ○Co-creating memorable experiential value

Employees

- ○Creating a fair work environment
- ○Both the company and the individual being able to grow together
- ○Working with peace of mind and being able to keep working

Business Partners

- ○Ensuring security and comfort for our business partners
- ○Strengthening our value co-creation partnership
- ○Sharing our brand value with our partners

200th Anniversary The Takashimaya Group Grand Design

Ideal Position for 2031

A familiar platform that helps achieve fulfilling lifestyles

Customers · Global Environment · Employees · Local Communities · Business Partners · Shareholders & Investors

Global Environment

- ○Contributing as a Group to the realization of a cyclical society
- ○Leading the way in reducing environmental impact throughout the supply chain

Local Communities

- ○Co-creating a sense of community and employment
- ○Continuing to create "Mind Symbols"
- ○Demonstrating social infrastructure functions

Shareholders & Investors

- ○Sustained improvement in profitability
- ○Increasing corporate value to ensure continued shareholding

- One-Stop Services
- Cultural Elements
- *Omotenashi* Hospitality

Our Cultivated Brand Appeal

⇒p.23

Leveraging and Reinforcing Capital

⇒p.17

- Financial Capital
- Fixed Capital
- Intellectual Capital
- Human Capital
- Social Capital
- Natural Capital

Management Philosophy

"Putting People First"

Promoting ESG Management

⇒p.31

Leveraging and Reinforcing Capital

To realize our Grand Design for 2031 (the 200th anniversary of our founding), the "six capitals" centered on human capital will serve as the foundation.
In order to respond to a rapidly changing business environment, we will create a virtuous cycle of achieving further capital strengthening while enhancing our value creation capabilities as a Group through the effective and efficient combination of these capitals.

Human Capital

<Group>
- Number of employees·· 10,768

<Domestic Department Stores>
- Average length of service ····· 25.4 years
  *Excluding the three subsidiaries

<Domestic Department Stores>
- Ratio of female managers 34.0%
  *As of March 2024
  *Excluding the three subsidiaries

<Group>
- Unionization rate····· 84.0%
  *Total by company within domestic Group companies

<Group>
- Per capita productivity ·····6.8 million yen per person

As a Group, we recognize that securing and developing highly specialized human capital and building a diverse human capital portfolio that enables us to respond flexibly to change are the most important factors in making the department stores more profitable improving the industry competitiveness of the Group's businesses, and expanding our business domains.
In addition to sharing our management philosophy and vision, we will steadily pursue initiatives such as visualizing and improving employee engagement, improving various career support measures, and promoting diversity, as well as further improving our per capita productivity.
(⇒p.29 Promoting Human Capital Management)

Promoting Human Capital Management

Financial Capital

- Total consolidated assets ····· 1,270.5 billion yen
- Cash and deposits ····· 94.8 billion yen
- Operating capital
  Merchandise, etc. 37.1 billion yen
  Accounts receivable 149 billion yen
- Property, plant and equipment and intangible Fixed assets ···· 792.8 billion yen
- Investment securities, etc.: ·····101.5 billion yen
  Domestic affiliates (excluding consolidated subsidiaries) ····· 22.6 billion yen
  Overseas affiliates (excluding consolidated subsidiaries) ····· 50.1 billion yen
  Other (cross-shareholdings, etc.) ····· 28.8 billion yen

As of the end of February 2024, the Group's total assets amounted to 1,270.5 billion yen. The main assets are fixed assets used in domestic and overseas department stores and assets with rights of use, such as leases for overseas stores.
In promoting our Group-wide "Machi-dukuri" strategy, we believe it is important to ensure that we can make flexible decisions without being influenced by the external environment by adopting a management approach that involves owning commercial real estate that contributes to the stability of our businesses from a medium- to long-term perspective.
By pursuing this approach, we will achieve sustainable growth and profit generation, thereby enabling us to return profits to our shareholders and other stakeholders.
At the same time, we will clearly and appropriately identify our core assets and non-core assets, and we will strive to improve our capital efficiency.
(⇒p.45 Financial Policy in the Medium-Term Management Plan)
(⇒p.73 Financial Statements)

Fixed Capital

- Number of domestic commercial facilities·····17 facilities
  *Includes facilities operated solely by Toshin Development / Excludes equity method affiliates and trademark license agreement companies
- Number of overseas commercial facilities·····5 facilities
  *Includes facilities operated solely by Toshin Development / Excludes trademark license agreement companies
- Non-current assets (tangible and intangible assets) by group
  Domestic department store assets (large stores)···357.9 billion yen
  Domestic department store assets (small to medium-sized stores) ·····14.4 billion yen
  Overseas department store assets ····· 55.1 billion yen
  Domestic Group Company assets ····· 265.5 billion yen
  Overseas Group Company assets ·····99.9 billion yen

Based in major cities across Japan, including Tokyo, Osaka, and Kyoto, the Group operates 13 domestic department stores, and in overseas markets, we operate four department stores in neighboring countries, centered around Singapore, a hub for Southeast Asia.
In addition, we operate five shopping centers in Japan and overseas, bringing the total number of commercial facilities operated by the Group to 22.
In terms of the assets of the Group Companies, these are mainly properties such as the shopping centers mentioned above, in addition to commercial facilities, offices, schools, and housing in Vietnam, which is a strategic base for our Group.
We will continue to work to further enhance the value of these facilities from a medium- to long-term perspective.
(⇒p.07 At a Glance – Our Diverse Businesses Supporting the Group)
(⇒p.27 The Group-Wide "Machi-dukuri" Strategy)

The Group's businesses

Intellectual Capital

- The brand value of traditional "Takashimaya" and global "Takashimaya"
- Domestic and overseas *"Machi-dukuri"* know how
- Store operations know how
- Sales and service know how
- Quality control (products and services)
- Group creativity

Our brand value is our "ability to fulfill the trust and expectations of our customers," and this is a factor that is the premise of the Group's unique *"Machi-dukuri"* strategy.
In addition to this brand value—which has been firmly established not only in Japan but also in Singapore and other parts of Asia—we will expand our business opportunities by rolling out our "Machi-dukuri" and know how in store operations to new business domains.
In addition to department stores and commercial property development, we will also seek new business opportunities by sharing and reinvesting the business expertise of each Group Company within the Group.
(⇒p.25 The Takashimaya Group's Advantages)

Social Capital

- Total number of customers per year
  Domestic commercial facilities ···· Over 200 million customers
  *Total of domestic department stores and shopping centers operated by Toshin Development
  EC site visits····· Over 90 million
  *Total of Takashimaya Online Store and Takashimaya Fashion Square
- Number of Takashimaya card members·····Approx. 2.4 million
- Main business partners
  Department store suppliers: ····Approx.10,000 companies
  *Domestic and overseas combined
  Specialty store tenants ····· Approx.1,000 companies
  *Total for 14 domestic facilities
- (Department stores) Number of business partners' employees ····· Approx.35,000
  *Total of 13 stores in Japan, as of April 1, 2024
- Number of local partnership agreements····· 23
  *Comprehensive cooperation agreements, disaster prevention cooperation agreements, etc.
  *As of October 2024

While we will continue to expand and build on the customer touchpoints that we have established through our long history of business activities, which is one of the key advantages of our Group, we will also work to expand the touchpoints with our business partners, who are our partners in value creation.
In addition, we believe that coexistence with the local communities in which we operate is essential to the sustainable development of our business, and we will strive to strengthen our relationships with these communities by contributing to the development of the social infrastructure in the regions where we operate through the establishment of partnership agreements and other means.
(⇒p.59 Coexistence with Local Communities)

Coexistence with Local Communities
Initiatives for Stakeholders (Customers, Business Partners, Employees)

Natural Capital

- Group energy consumption ····· Approx. 4,300,000 GJ
- Renewable energy installation ····· 21 facilities
  *Includes non-commercial facilities
- Waste recycling rate····· 69.1%
- Participation in RE100 and EV100
- Recycling project <Depart de Loop> initiative

We are acutely aware that the business activities of the Group—including the department store business, which sells a wide variety of products; the commercial property development business, which operates large-scale shopping centers; and the construction and restaurant businesses—are highly dependent on natural capital.
The conventional business model, based on the practice of "mass consumption and mass disposal" while consuming large amounts of energy in store operations, is not sustainable.
Our Company considers the "global environment" to be one of our most important stakeholders, and in order to preserve and increase our limited natural capital, we are working with our business partners and customers to promote initiatives aimed at achieving a zero-carbon and recycling-oriented society throughout the supply chain.
(⇒p.47 Efforts to Address Environmental Issues)

Environment

History of Value Creation – Our DNA of Innovation

1831 Founded
(used clothing dealer in Matsubara-agaru, Karasuma, Kyoto)
Formulation of the "Store Creed"

1855 Discontinued dealing in used clothing and transitioned to a cotton kimono dealer
1876 The American trading company Smith, Baker & Co. visited the shop (first major sales to foreigners)
1877 Exhibited at domestic and international expositions, won many awards during the Meiji period
1878 Opened a rug store in the house to the south next door and started an interior business under the name "Minami Store"
1887 Establishment of the Trading Department
1898 Osaka store opened (Shinsaibashi-suji)
1899 Opened Lyon Office
1900 Tokyo store opened (Nishi-konyacho, Kyobashi-ku)
Establishment of the Retailing Department for Foreigners
1911 Establishment of the Art Department
1912 Opening of the newly built Kyoto Karasuma store—the first commercial facility to be built with reinforced concrete
All stores converted to department store-style display sales areas, opening of sales areas for foreign nationals and customer dining rooms
1919 Takashimaya Dry Goods Store Co., Ltd. founded
1929 Establishment of the Dalian Representative Office,
followed by the establishment of representative offices and branch offices in Mainland China, the Korean Peninsula, etc.
1930 Trade name changed to Takashimaya Co., Ltd.
1931 Opening of "10 Sen Stores" across Japan
Establishment of Marutaka Kin'itsu-ten Co., Ltd. in 1938
1932 Opening of the Osaka Nankai store (currently the Osaka store)—the first department store to introduce an air conditioning and ventilation system
1933 Tokyo Nihombashi store opend (currently the Nihombashi store)
—the first department store to install a building-wide air conditioning and ventilation system
1936 First "Joubonkai" held
1938 Nankai store: Opening of the largest dining hall in the Orient
1939 Establishment of Takashimaya Kosakusho Co., Ltd. (currently Takashimaya Space Create Co., Ltd.)
1946 Formation of the Employee Union and the Staff Union
Opening of the Kyoto Shijo Store Market Center (currently the Kyoto store)
1947 Formation of the All Takashimaya Employees Union Federation
1950 Takako-chan, the elephant, comes to the Tokyo store (currently the Nihombashi store) rooftop
1951 Japan's first "Picasso Exhibition" held
First "Hokkaido Products and Tourism Fair" held
1952 The rose-patterned wrapping paper made its debt (since this time roses have been the Takashimaya symbol)
1958 Takashimaya New York opened—the first overseas branch of a Japanese department store
1959 Yokohama store opened
1963 Establishment of Toshin Development Co., Ltd.
1964 Yonago store opened (in 2020, all shares transferred to Joy Urban Ltd. under a trademark licensing agreement)
Sakai store opened
1965 Establishment of Takashimaya Tomonokai "Rose Circle"—Takashimaya Tomonokai Co., Ltd. established in 1973
1966 Establishment of Takashimaya Corporate Pension Fund—the first employees' pension fund in Japan
1968 Launch of Takashimaya Credit Card for VIP customers
1969 Tamagawa TakashimayaS・C/ Tamagawa store opened—a full-scale suburban shopping center
1970 Takashimaya Archives opened
Tachikawa store opened (department store section closed in 2023, with the Tachikawa Takashimaya S.C. to reopen after renovations)
Opening of the Omiya store
1973 Formation of the All Takashimaya Labour Union Federation (currently the Takashimaya Labour Union)
Okayama store opened
Kashiwa store opened
1974 Establishment of the Labour-Management Productivity Committee (currently SAY)
Semboku store opened

Our progressive spirit

Founder: Shinshichi Iida
(first generation)

Opening of Takashimaya Shinshichi Iida
East Store (trade store) (1893)

Takashimaya 10-Sen Store
Noda Hanshin store
(around 1931)

Nankai store "Grand Dining Hall"
with U-shaped large counters (1938)

Takashimaya, the kimono store

"Joubonkai" showcasing
traditional designs and techniques
Black furisode kimono
Hoko Nishiki Ayamon
Daihiko
1953

Pioneering modern
trend designs at
"Hyakusenkai"
Homongi
(Semi-formal kimono)
"Kessho Bigaku
(Aesthetic of Crystals)"
1956

Era of a rush of new store openings

First Takashimaya New York
(1958; first overseas store for a Japanese
department store)

Yokohama store, awaiting its
opening at Yokohama Station,
West Exit (1959)

Opening of Tamagawa Takashimaya S・C (1969)
Tagline: "The dawn of Japan's enriched suburbs"

Takasaki store
Opening Ceremony
(1977)

The power of people

All Takashimaya Labour Union Federation Inaugural Rally
(Kyoto International Conference Center, November 1973)

History of Value Creation – Our DNA of Innovation

1975	Launch of Takashimaya ABC Card (later renamed the “Takashimaya Card”)
1977	Gifu store opened (closed in 2024)
	Takasaki store opened
1978	Establishment of the Takashimaya Mutual Aid Association—mutual aid for group employees
1979	Appointment of Ichiko Ishihara as a director
	—first female executive at a company listed on the Tokyo Stock Exchange First Section
1982	Rakusai store opened
1983	Konandai store opened (closed in 2020)
1986	Establishment of Takashimaya Credit Co., Ltd. (currently Takashimaya Financial Partners Co., Ltd.)
1988	Acquisition of Century & Co., Ltd.—incorporated in 1989
1989	Group sales of 1,022.8 billion yen in 1988—first department store to break the 1 trillion yen mark in sales
1990	Establishment of the Takashimaya Cultural Foundation
1992	Kashiwa Takashimaya Station Mall opened
1993	Singapore Takashimaya S.C. opened
	Takashimaya New York moves to 5th Avenue and opens in company-owned building (closed in 2010)
1994	Dayeh Takashimaya opened—transfer of all shares in 2016
	⇒License agreement for Dayeh Development trademarks, etc.
1995	Establishment of All Takashimaya Agency (ATA) Co., Ltd.
	Part-time employees join the Takashimaya Labour Union
1996	Commercial Law violation incident—formulation of new management and action guidelines in 1997
	Takashimaya Times Square / Shinjuku store opened
1997	Takashimaya Virtual Mall opened—Japan’s first full-scale online department store
2000	JR Nagoya Takashimaya opened (an equity method affiliate)
2001	Establishment of R.T. Corporation Co., Ltd.
	Establishment of Takashimaya Space Create Co., Ltd.
2002	Iyotetsu Takashimaya opened (an equity method affiliate)
2003	Sales staff join the Takashimaya Labour Union
	Full reopening of Tamagawa Takashimaya S.C. after renovations
2004	Launch of the “New Takashimaya Proposal Campaign”
2007	Nagareyama Otakanomori S･C and Takashimaya Food Maison opened
	Launch of Takashimaya Card <Gold> and Takashimaya Card
2008	Participation in the Global Framework Agreement—first Japanese corporate labor-management agreement
2009	Winner of the “Nikkei Child Care Advocate Grand Prize”—a first in the distribution industry
	Tokyo store (currently the Nihombashi store) Main Building—designated as a National Important Cultural Property, a first for a department store building
2012	Shanghai Takashimaya opened
	Acquisition of a majority of the shares of Select Square Co., Ltd., making it a group company
2016	Ho Chi Minh City Takashimaya,Saigon Centre opened
2017	Takashimaya Gate Tower Mall opened (Nagoya)
2018	Opening of Nihombashi Takashimaya S.C.—Grand Opening in 2019
	Siam Takashimaya opened
2019	Takashimaya Archives TOKYO opened
	Toshin Development—participation in the Star Lake Project (Vietnam)
2020	Launch of Takashimaya Financial Partners Co., Ltd.
2021	The Takashimaya East Annex (Naniwa-ku, Osaka),
	where the Takashimaya Archives is located, designated as a National Important Cultural Property
	Toshin Development—participation in the Lancaster Luminaire (Vietnam) project
2022	Takashimaya Neo Bank “Sugo Tsumi” service release
	Comprehensive cooperation agreement concluded with Hokkaido Prefecture
2023	Launch of Takashimaya Card <Business Platinum>
	Kyoto Takashimaya S.C. opened
	Reopening of Tachikawa Takashimaya S.C. after renovations

Expanding the Takashimaya brand to Asia

Expanding presence in Asia by leveraging the brand recognition built in Singapore

Singapore Takashimaya event hall, bustling with many customers

Ho Chi Minh City Takashimaya

Siam Takashimaya

Shanghai Takashimaya

Evolution and deepening of *“Machi-dukuri”*

Nagareyama Otakanomori S･C
a shopping center that encourages customers to spend time

Kyoto Takashimaya S.C., promoting art and culture

Nihombashi Takashimaya S.C. Grand Opening

Finance business as our third pillar

Takashimaya Card
<Business Platinum>

Takashimaya Platinum
Debit Card

The only in-house branded bank by a department store
“Takashimaya Neo Bank”
“Sugo Tsumi”

Our Cultivated Brand Appeal

The Group has long been supported by its customers and other stakeholders, with its main businesses being the department store business and commercial property development business, with department stores at its core.
In this context, we believe that there are three key elements that we have fostered and that have contributed to the Group's appeal: "One-Stop Services," "Cultural Elements," and "*Omotenashi* (Hospitality)."
We will introduce the unique qualities of the Group in each of these areas.

One-Stop Services

The "one-stop" model advocated by the Group involves developing shopping centers with department stores at the core as our primary business, which not only means offering a wide range of safe and reliable products to enhance people's lifestyles in a single location but also encompasses the provision of "experiential value" such as memorable experiences and precious moments spent with loved ones.
In addition, the Group's shopping centers also function as local community hubs that bridge diverse people and generations.
Furthermore, by integrating our financial and other Group businesses, we are able to provide comprehensive services that help our valued customers lead more-fulfilling lives. We believe this is one of the key features of our one-stop services.
To complement the one-stop value proposition centered on these brick-and-mortar stores and local communities, the Group also operates alternative channels such as e-commerce and catalogs.
By creating an environment where customers can enjoy shopping "anytime, anywhere," we are working to further broaden our reach and touchpoints between our customers and the Group.
We are committed to further enhancing our brand value by leveraging the collective strength of the Group to continue to provide lifestyle and life-oriented products and services that meet the needs of our customers.

[EC/Catalog Channel]

○Overcoming time and geographic constraints on shopping and services
○Contributing to the further expansion of customer contact points

[Department Store-Based Shopping Centers]

○Offering a wide range of quality lifestyle products that are safe and reliable
○Delivering experiential value through memorable moments and events
○Creating local communities that bridge diverse people and generations
○Providing comprehensive services to realize a fulfilling lifestyle

Cultural Elements

As a Group that has been supporting and contributing to the enrichment of people's lives for nearly 200 years, we are keenly aware that "cultural heritage and development" is one of our key missions to focus on from a CSR perspective.
At the Takashimaya Archives in Osaka, we hold various exhibitions on lifestyle culture and history, in addition to displaying items from our archive collection.
Meanwhile, Takashimaya Archives TOKYO, which opened in 2019, has established itself as a cultural hub in Nihombashi and as a unique scene-setting presence in the city, covering a variety of contemporary themes beyond the history of our department stores.
In each of our department stores, we hold unique cultural events to promote traditional craftsmanship and new art & culture, and we also strive to promote culture through products deeply rooted in our business, such as art and kimono.
With a view to discovering and supporting the next generation of creators, we established the "Takashimaya Cultural Foundation" in 1990 and provide grants to emerging artists and organizations that contribute to the development of art & culture.

The Takashimaya Archives houses approximately 50,000 items.
These include many works by great masters who have played a prominent role in the history of art.
(Left) Yokoyama Taikan
"Horai-san" (Mt. Horai) 1949
Color on paper 231.0×249.0 (original)
(Right) Takeuchi Seiho
"Sudden Shower" 1909
Color on silk 165.5×84.0 (original)

Mingei Exhibition
(September 2023, Nihombashi Takashimaya S.C. Main Bldg. 8F)

The 34th (FY2023)
Takashimaya Cultural Foundation Awards Ceremony

Omotenashi (Hospitality).

The spirit of *"omotenashi"* is deeply rooted in the Group, with our employees offering quality products with expert knowledge and skills, coupled with warm and attentive customer service.
This is a spirit that we have cultivated over many years through our department store business and other activities, and by steadfastly continuing to do so to this day, we have continued to enhance the brand value of the traditional Takashimaya and the global Takashimaya brand.
While the form of *"omotenashi"* expected by customers changes with the times, living environments, and shifts in values, the fundamental concept of "caring for others" is timeless, and we believe that our *"omotenashi"* is one of the key added values generated by our employees.
In an effort to further enhance the value of our *"omotenashi"*. the Group subsidizes the costs for employees to acquire specialized skills, such as sales, shoe-fitting, gift-advising, and sommelier services, and stations concierges in our larger department stores to provide attentive assistance to customers who are experiencing difficulties or seeking advice on purchases.
At the same time, we are working to streamline and improve the efficiency of our back-office operations and to enhance the customer experience in our stores and points of sale by combining digital technology to enable these specialists to focus on sales and customer service and deliver even-higher performance.
In an era where countless products can be purchased online, the Group will continue to value the spirit of "*omotenashi*" based on human interaction and will live up to the trust placed in us by our customers.

The Takashimaya Group's Advantages

Since our founding in 1831, the Group has faced many difficulties throughout its long history, but each time we have demonstrated our progressive spirit and persevered through the challenges, and by continuing to evolve in response to the needs of the times, we have achieved business growth and increased our corporate value to this day.
The three advantages currently underpinning this growth are "Multiple profit-generating bases in Japan and Asia," "Broad customer base," and "Excellent group companies."

Stores in Japan

Nihombashi Takashimaya S.C.

Takashimaya Times Square (Shinjuku)

Kyoto Takashimaya S.C.

Tamagawa Takashimaya S•C

Kashiwa Takashimaya Station Mall

Yokohama store

Omiya store

Semboku store

Osaka store

Sakai store

Rakusai store

Okayama Takashimaya

Takasaki Takashimaya

Tachikawa Takashimaya S.C.

Nagareyama Otakanomori S•C

Hakata Riverain Mall

Wakaba Keyaki Mall (Tachikawa)

EC / Mail Order Shopping

Takashimaya Online Store (home page)

Takashimaya Fashion Square (home page)

Takashimaya Mail Order Catalog

Overseas Stores

Singapore Takashimaya S.C.

Saigon Centre / Ho Chi Minh City Takashimaya (Vietnam)

Shanghai Takashimaya

Siam Takashimaya (Bangkok, Thailand)

Indochina Plaza Hanoi (Hanoi, Vietnam)

The Three Advantages

1. Multiple Profit-Generating Bases in Japan and Asia

One of the Group's advantages is that we own multiple department stores in areas spanning across both the Kanto and Kansai regions, with annual total operating revenues of over 100 billion yen.
We also operate unique commercial facilities in Japan and overseas that feature a fusion of specialty stores, rooted in the culture and needs of the local community.

In Asia, Singapore Takashimaya S.C. has firmly established itself as the leading retail complex in the region, making a significant contribution to the Group's profit generation.
In order to respond to rapid changes in the social and market environment, we aim to build a stable business portfolio that is not dependent on the profits of specific regions or stores.

2. Broad Customer Base

As stated in our "Store Creed", since the founding of the Group, we have continued to provide services to a wide range of customers.
In our brick-and-mortar stores, we offer products and services in an environment that can be integrated into different lifestyles and life stages, and we also have customer contact points in the digital realm, including e-commerce.
In addition to retaining our loyal customers who have supported the Group for many years, we will continue to expand our customer contact points with the next generation of customers by leveraging external alliances and other channels.

3. Excellent Group Companies

By drawing on the strengths of multiple Group Companies with a competitive edge in their respective industries, including Toshin Development, which manages our commercial property development in Japan and overseas, and Takashimaya Financial Partners, which drives our finance business, the effective implementation of the Group-wide "*Machi-dukuri*" strategy is further enhanced.
ATA, which specializes in advertising and sales promotion for the Group, also contributes to the creation of vibrant communities by leveraging its media editing capabilities, digital sales promotion, and facility decoration expertise to grow business outside the Group.
In addition, at Century & Co., Ltd., our temporary staffing business, the first-class hospitality that we have cultivated within the Group is highly regarded not only in customer service and sales operations at our commercial facilities but also in a wide range of other areas, including information services, customer service and sales operations, and training operations at external facilities.

JR Nagoya Takashimaya
2024 Takashimaya Christmas:
1st-floor main-stage decorations
(Produced by ATA)

The Group-wide *"Machi-dukuri"* Strategy

Our Group's "Machi-dukuri" strategy is based on two concepts.
The first is to "fulfill our role as a community anchor," which specifically means creating a thriving community and increasing foot traffic around our facilities and working in partnership with local communities and governments.
The second is to "Maximizing the appeal of each proparty."
This involves creating new commercial facilities that only the Group can produce by pooling the expertise of each of our businesses and pursuing the concept of customer lifetime value.
To date, we have been promoting "Machi-dukuri" projects based on the above concepts both in Japan and overseas.

Fulfilling role as a community anchor

Aim to coexist with communities by using the appeal of our properties (commercial facilities) to generate vitality for each town.

Maximizing the appeal of each proparty

Apply our collective know how toward creating next-generation commercial facilities that uniquely pursue customer satisfaction.

"Machi-dukuri" Case Study 1

Tamagawa Takashimaya S•C

In November 1969, the Group opened the Tamagawa Takashimaya S•C in Futakotamagawa, an area then characterized by its idyllic rural scenery.
Coinciding with the advent of the new era of the automobile, the shopping complex was a major topic of conversation, with its car wash facilities and drive-in theater, which was a revolutionary concept at the time.
Since then, the complex has continued to expand and grow with the community of Futakotamagawa through continuous renovation and development of the surrounding area, including the expansion of the Main Building and the construction of the South Building, in response to the needs of the times and the local community.
The commercial facilities, which are a combination of a department store and specialty stores, are indeed the prototype of the Group-wide *"Machi-dukuri"* strategy.
The complex created a flow of people to the Futakotamagawa area, which is blessed with a rich natural environment of water and greenery, and to this day, it continues to contribute to the development of the local community.

"Machi-dukuri" Case Study 2

Singapore Takashimaya S.C.

In August 1993, the Group opened the Singapore Takashimaya S.C., marking our first full-scale overseas expansion.
Singapore Takashimaya S.C., which combines a department store and specialty stores, could be described as a new concept in shopping centers in Singapore.
At the department store, we introduced Japanese-style omotenashi (hospitality) and contents exclusive to Japan, such as welcoming customers at store opening and holding Hokkaido-themed fairs, while also actively incorporating local cultural needs and thoroughly localizing our operations by building common selling spaces that focuses on local culture and lifestyle-oriented goods.
Additionally, at the specialty stores, we promote a tenant composition that takes into account the detailed facility management and commercial environment based on our experience in Japan, for which we have received support from many local customers.
Today, the Takashimaya brand is firmly established in Singapore and is fondly known to local customers by the nickname "TAKA." Not only has it evolved into a landmark in Singapore, but it also attracts many customers from neighboring countries.

"Machi-dukuri" Case Study 2

Kyoto Takashimaya S.C.

In October 2023, the Kyoto Takashimaya S.C. opened its doors, comprised of the Takashimaya Kyoto store and the new "T8" specialty store zone built adjacent to it.
The addition of new content, including entertainment, subculture, and contemporary art, combined with the "tradition" and "trust" that the Kyoto store has built over the years, has led to the attraction of a new customer base, including both customers from a wider area and the next generation of customers.
Furthermore, through the establishment of cooperative relationships with the local government and local businesses, the placement of the entrance and stores of the Kyoto Takashimaya S.C. in the underground passageway of Kyoto Kawaramachi Station has led to improved access convenience for customers and generated more activity in the area around the station than ever before.

Promoting Human Capital Management

Investment in "human capital," which is directly linked to a company's sustainable growth and value creation, is a strategic investment that is vital to achieving a balance between social sustainability and business profitability.
Our Company is committed to promoting human capital management with the ultimate goal of becoming a company that can maximize the value of all individuals with their own specializations and diverse values and where all employees, including temporary employees seconded by our business partners, can work with enthusiasm and initiative to achieve results.

The Group's Ideal position of the Grand Design

Increase Appeal as a place to Workplace

The company and individuals resonating to achieve growth together to create a corporate culture that generates appeal as a workplace and promotes retention.

Human Capital Development Policy

Our Company has established a basic policy for human capital development geared towards "Making us more profitable" "improvement of organizational capabilities," and "improvement of job satisfaction," and we are committed to human capital development that takes into account both the social environment and the changes of the times.
Against the backdrop of dramatic changes in the social environment, the transformation of business with a view to the future is essential for the sustainable growth of companies.
To this end, we believe it is important for a diverse range of human capital to proactively develop skills and shape careers autonomously.
The cornerstone of our human capital development is on-the-job training (OJT).
Through OJT, employees acquire the knowledge and skills required to carry out their work, as well as the work practices that can only be gained on the job, thereby enhancing their practical skills and problem-solving abilities.
In addition, through a diverse range of off-the-job training, we organically combine training that is tailored to the rapidly changing environment outside the workplace to foster creative and innovative thinking, as well as planning skills.

Competency Development System

While OJT is the foundation of our training, we also offer a range of training courses to help employees systematically develop their careers, including programs to acquire the basic business skills required of working professionals and programs to develop specialized skills by job type or genre. We have also established an environment where all employees, regardless of employment type, can equally participate in training, with some exceptions for certain programs.
Particularly in recent years, we have focused on transforming our business and operations through digital technology, and we have conducted various training courses on digital skills and incorporated them into our personnel evaluation targets. All management levels, including directors, are required to take the IT Passport exam.

Competence Development System Chart

- OJT
  - Mindset Menu
    - Career (Stage Design) Program
    - Life Stage Program
  - Knowledge and Skills Training Menu
    - General Business Program
      - Compulsory Training
      - Elective Training
    - Programs by Category
      - Training by Job Function
      - External Training
      - Correspondence Courses / E-Learning
      - Overseas Training
      - Division Training
      - Labor-Management Joint Training
  - Next-Generation Human Capital Development Menu
    - Selection-Type Program
    - Open Application-Type Program

*Domestic Department Stores

Career Support

The fundamental approach with respect to the operation of our HR-related systems is to "respect the independence of the individual," and we aim to foster human capital that respects the individuality and motivation of each and every person.
In order to support career development, we have established the following support mechanisms.

●Assessment

Once a year, we review the results of the "Competency Assessment" (which aims to clarify the discrepancies between the "skills and abilities" required for each job and the employee's current skills and to reflect this in future competency development plans) and the "Self-Assessment" (which aims to express the employee's own intentions regarding career path and plans), and we refer to these assessments when deciding on job rotations.

●Open Entry / FA System

To help employees achieve their own career goals, this system is designed to use job rotation to give employees the opportunity to work in the specific positions they most desire.
By allowing employees to take the initiative in applying for the positions they want and by giving them the opportunity to realize their ambitions through job rotation, this system supports each employee in becoming an independent professional with specialized skills.

●Self Career Dock

We offer career training and career support interviews at times of milestone promotions and ages.
Through this "training + interview" opportunity, we aim to promote and support proactive career development for each individual, thereby enhancing their specialist skills and contributing to the mutual growth of both the individual and the Company.
Furthermore, our Career and Life Planning Consultation Office offers career counseling to employees of all ages and employment types—not just those who are eligible for training—and is working to develop a comprehensive career support system that will enable employees to grow and achieve greater job satisfaction through their work.

Health and Productivity Management

It is the social obligation of companies to protect the physical and mental health of their employees, and the vitality of each and every employee is essential for the growth of the Group.
In 2017, our Group formulated the "Health Management Declaration," which promotes health and productivity management with the aim of providing quality services based on a sound organization and employees and improving productivity to respond to changes in the social environment.
As such, in collaboration with occupational physicians, the HR department, and the health insurance association, we are promoting initiatives to maintain and improve the health of our employees, including the introduction of a wider range of health check-up offerings that focus on the early detection of diseases and the prevention of serious illnesses, the promotion of healthy behaviors to prevent lifestyle-related diseases, and work-style reforms and health & safety measures to achieve a better work-life balance.
As a result of these initiatives, we have been certified as a Health and Productivity Management Outstanding Organization (Large Enterprise Category) by Japan's Ministry of Economy, Trade and Industry for five consecutive years since 2020.

2024 健康経営優良法人 Health and productivity

Improving Employee Engagement

Engagement

As a key element of Human Capital Management, we are promoting initiatives to visualize and improve employee engagement, including that of employees of group companies and business partners (Rose Staff [RS] at department stores).
We simultaneously assess mental health (stress) and engagement and use the results to visualize the state of the organization in detail and take action to solve problems.
In addition to improving the workplace environment and organizational culture, expanding the various systems, and implementing a fair and convincing HR system, we will examine and implement measures to identify issues and resolve them at the workplace level based on the results of surveys conducted for each organization, and we will verify and confirm the progress of these measures based on the PDCA cycle.
Furthermore, we also position our RS, who are on the front line of sales at our department stores, as valuable partners in creating our value , and in order to maximize their value, we conduct surveys.
Through the visualization of "satisfaction levels" and "concerns and dissatisfactions," our goal is to increase satisfaction levels by taking timely action for improvement.
Through these initiatives, we seek to create a system that enables sustainable growth by creating a sense of fulfillment in their work and improving productivity, as well as fostering a sense of unity and retaining human capital.

Creating a Workplace with an Open Atmosphere

To create an environment in which each employee can feel a sense of fulfillment in their work, thrive, and demonstrate skills, we have established a variety of systems that allow employees to communicate their thoughts and ideas.
The SAY activity, which has been continuing since the 1970s, involves the collection of all voices and workplace issues within the Company and provides a forum for equal discussion between labor and management, thereby contributing to the improvement of a wide range of issues.
In addition, as a forum for direct communication between the President and frontline employees, initiatives such as the "President's Meeting," in which the President discusses ways to improve product ranges, sales services, sales promotion activities, and store environments based on customer feedback, and the "Suggestion Campaign," which invites ideas for strengthening and improving the Group's overall management, operations, and sales, contribute to an active corporate culture by providing a mechanism for soliciting individual opinions.

Poster

The Takashimaya Group's ESG Management

Our Group Management Philosophy, "Putting People First" is strongly linked to the SDGs' aim of achieving a society that "leaves no one behind."
In 2006, we formulated our CSR activity areas based on our Management Philosophy, and to this day, we continue to promote management and disclose information in keeping with this.
In addition to the basic activities of "economic role" and "(legal) compliance," which return the profits generated by business activities to various people, we also engage in activities that realize our "social role," such as actions based on "corporate ethics," creating new value, and solving social problems.
The Group ESG Management initiative aims to contribute to "achieving a society where everyone can enjoy the richness of the 21st century" by integrating the concept of the SDGs into our traditional CSR management.
In doing so, we aim to win the support of our stakeholders by providing unique value propositions such as "environmentally friendly and prosperous lifestyle and culture" "respond to diverse values, utilize diverse human resources," and "customer-oriented management."
We have defined 10 key issues for ESG Management, including "RE100 to promote zero carbon" and "promoting diversity."
To meet these challenges, it is important to break away from traditional business models and reform in line with the demands of the times and society, which we believe will lead not only to solutions to social issues but also to opportunities for business growth.
We position "Machi-dukuri" (hereinafter, referred to as the Machi-dukuri Strategy) as our general group-wide strategy. From the perspective of community and sustainability, this strategy is also closely related to ESG strategy.
We strive to create energetic cities while coexisting within the community. We also work to propose and offer new value through our merchandising, environments, and services.
We believe that these activities work towards resolving various societal issues and help promote the development of society.
Furthermore, we have the advantage and potential to approach various global issues, given that we have a strong customer base, prime store locations, and a network of business partners, and we are developing our group businesses both in Japan and overseas, with department stores at the core.
As we continue to promote our "Machi-dukuri" strategy, we will strive for further growth of the Group by addressing social issues from both a short-term and medium- to long-term perspective, and we will contribute to the realization of a sustainable society.

Group ESG Management Conceptual Diagram

Group-wide *"Machi-dukuri"* Strategy

Fulfilling role as a community anchor
Aim to coexist with communities by using the appeal of our properties (commercial facilities) to generate vitality for each town.

Maximizing the appeal of each proparty
Apply our collective know how toward creating next-generation commercial facilities that uniquely pursue customer satisfaction.

"Group ESG Management"

Value Provision Unique to the Takashimaya Group

- Environment — Environmentally friendly and prosperous lifestyle and culture
- Environment — Safe, secure, sustainable infrastructure functions
- Environment — Sustainable/circular business through collaboration with partners
- Society — Respond to diverse values, utilize diverse human resource
- Society — Pleasant workplace environments, career support
- Society — Stress-free products, services, and facilities
- Society — Community functions in local society
- Governance — Customer-oriented management
- Governance — Management transparency and fairness

Gaining Empathy

Stakeholders

- Customers
- Business Partners
- Employees
- Shareholders & Investors
- Local Society
- Global Society

ESG Management priorities (Environment / Society)

1. Environment — Promotion of zero carbon **RE100**
2. Environment — Promotion of zero carbon **EV100**
3. Environment — Sustinable/Circular business
4. Environment — Reduce plastic wast
5. Environment — Reduce food loss
6. Society — Promote diversity
7. Society — Promote work style reform
8. Society — Universal facilities and services
9. Society — Co-existence with communities (*"Machi-dukuri"* strategy)
10. Society — Promote social contribution activities

Achieving Both Business Growth and provise solutions to societal issues through business model reform

Realize the 21 st-century world in which everyone prospers

Our Approach to Priority Areas and the Selection Process

E - Environment

As a Group with the department store business at its core, we view the current business model based on the premise of environmental impact as a risk, and we are working to resolve environmental issues.
Based on the relationships of trust that we have built with our stakeholders to date, we will work on businesses that regenerate and restore limited global resources.

S - Society

Amidst the rapid progression of declining birthrates and aging populations, the advancement of digitalization, and the emergence of unexpected disasters, today's business environment is experiencing drastic changes. We will strive to fulfill our responsibilities as a public institution in society, not only by fulfilling our role as a lifeline for local communities, but also by working to create a society in which all people can play an active role.

G - Governance

To earn the trust of our stakeholders and enhance the transparency of our management, we will strictly comply with all relevant laws and regulations.
At the same time, we will continue to contribute to the resolution of social issues by responding promptly and appropriately to matters affecting our management and stakeholders, and we will work to enhance our corporate value by gaining the support of our stakeholders.

Priority Issue Selection Process

Identifying issues to address based on the 17 SDG goals, with our management principle as the axis

By comparing our management principle to the 17 SDG goals, we identified the themes that the Group should address through its business activities.

Discussions on the gap between the status quo and the goals set out in the SDGs

We discussed the gap between the status quo and a society that achieves the SDGs, taking into account the expectations of our stakeholders, including customers, shareholders, and employees, and identified priority themes.

Establishment of the five priority themes for the Company

As a Group whose core business is the operation of department stores, we have identified five priority themes that we believe will contribute significantly to the achievement of the SDGs.

<Five Themes of the Takashimaya Group SDGs>

1.Consideration for the global environment
2.*"Machi-dukuri"* strategy
3.Accessible and stress-free products and facilities
4.Provision of sustainable products and services
5.Creation of a fulfilling workplace

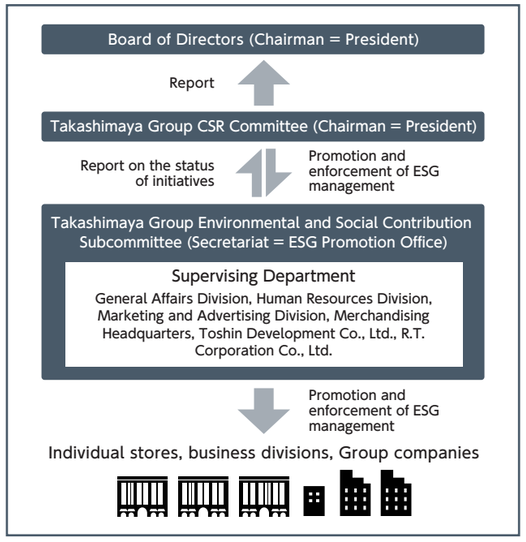
Restructuring of the five themes as priority issues from an ESG perspective

With a view to the future society that our Company aims to achieve, the five themes were restructured into ten priority issues in the environmental and social domains from an ESG perspective and were reviewed at the Board of Directors meeting.

Promotion Structure for Priority Issues

The Takashimaya Group CSR Committee, chaired by the President, convenes semiannually to validate and strengthen our system on a Group-wide level, including reinforcing compliance management and confirming the status of internal controls, progress on core ESG issues, and initiatives being implemented to address emerging social issues.
The Group is strengthening governance of initiatives under a structure through which these committees submit reports on the details of deliberated issues to the Board of Directors, which then monitors progress.
In addition, to ensure that ESG management is fully integrated throughout the organization and that initiatives are implemented to address the priority issues identified, the Group is working to quantify annual targets and the status of initiatives and is managing progress through the PDCA cycle. The Group is also working to improve policy management and progress management from a Group perspective and is holding quarterly meetings of the Takashimaya Group Environmental and Social Contribution Subcommittee to build a more unified and effective system.

Diagram of the Priority Issue Promotion Structure



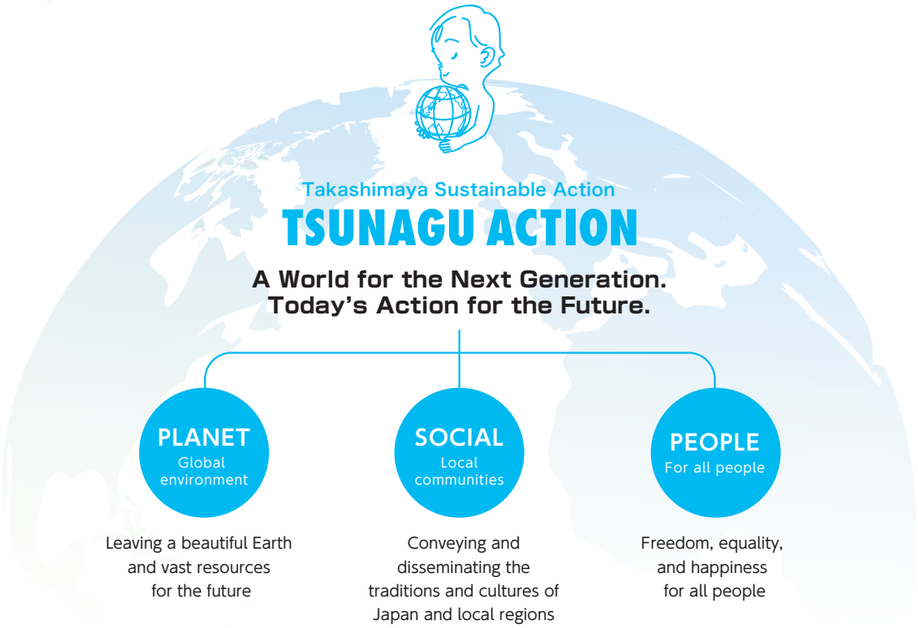
Priority Issues and KPIs

		[Priority Issues]	[KPIs]	[Numerical Targets] 2021 >>	2023 >>	2025 >>	2030 >>	2050
E Environment	1	Promotion of zero carbon **RE100**	RE (renewable energy) conversion rate	1.8%	5.5%	8.6%	30% or more	100%
			Reduction rate in greenhouse gas emissions from electricity use (compared to 2019)	-3.0%	-5.6%	-10.5%	-35%	-100%
	2	Promotion of zero carbon **EV100**	EV conversion rate	0.3%	0.3%	3.1%	100%	
			Reduction in the number of vehicles owned (compared to 2019)	-17units	-17units	-52units	-115units	
	3	Sustinable/ Circular business	Percentage of recycled polyester used (Limited products developed by our Company)	—	—	100%		
	4	Reduce plastic wast	Waste plastic recycling rate	97%	98%	99%	100%	
			Reduction in total waste (compared to 2019)	-3.6%	-24.8%	-26.3%	-30%	
	5	Reduce food loss	Compostable waste recycling rate	68%	75%	80%	100%	
			Reduction in compostable waste discharge (compared to 2019)	-3.6%	-15%	-16.7%	-20%	
S Social	6	Promote diversity	Ratio of female managers	31.3%	33.3%	35.4%	40% or more	
			Ratio of persons with disabilities employed, number of foreign employees	⇒No numerical targets have been set. See p.80				
	7	Promote work style reform	Paid leave acquisition rate	55%	65%	80%	100%	
			Improvement in per capita productivity [operating profit per employee]	1.7 million yen	3.9 million yen	4.7 million yen	6.6 million yen	
			Employee turnover rate	⇒No numerical targets have been set. See p.80				
			Acquisition status of support systems for work-life balance	⇒No numerical targets have been set. See p.80				
	8	Universal facilities and services	Ratio of employees with qualifications	10.1%	11.7%	14.5%	20%	
			Conversion of facilities to barrier-free access	⇒*No numerical targets have been set. See p.59				
	9	Co-existence with communities (*"Machi-dukuri"* strategy)	Collaboration with local communities (individual stores/shopping centers)	⇒*No numerical targets have been set. See p.59				
	10	Promote social contribution activities	Number of days of volunteer leave acquired	⇒No numerical targets have been set. See p.80				
G Governance		· Corporate Governance · Compliance · Risk Management						

Promotion of Sustainable Activities: "TSUNAGU ACTION"

"TSUNAGU ACTION" is the sustainable activity of the Group, in which we take the lead and work together with our customers and business partners to ensure that our actions today are the first step to passing on this Earth to the next generation and the future.
"Protecting the beauty of the environment and the wealth of resources," "passing on traditions and culture," and "providing support for everyone"—our goal is to promote and establish sustainable lifestyles through consumption and production activities that contribute to a better society and brighter future in our daily lives.
To this end, the "TSUNAGU ACTION" initiative has been established under three themes—PLANET, SOCIAL, and PEOPLE. Based on these themes, we are proposing concrete actions that each individual can take, such as "not using disposable items, but using them carefully and for a long time," "not discarding items, but recycling them," "protecting local traditions and craftsmanship," and "protecting people's values and lifestyles."
The Group views "TSUNAGU ACTION" as an ESG activity directly linked to our core businesses, and by promoting it throughout the year, we will work to increase project counts and customer awareness. Also, by gaining the support of our stakeholders, we will contribute to the realization of a sustainable society.

Takashimaya Sustainable Action "TSUNAGU ACTION"



Promoting Group-Wide Initiatives for Expansion

In an effort to propose attractive products and services to customers, we have been holding "Project Review Meetings" since March 2024. These meetings are open not only to buyers but also to employees working in stores and e-commerce.
Based on the three themes, ideas for products and services were proposed and presented to executives and management.
For ideas of particular merit, a system will be established to realize them with support from our Head Office.
At the first "Project Review Meeting" held in March 2024, 75 proposals selected from each store and department were presented.
Group-wide efforts are being made to further expand our unique "TSUNAGU ACTION."

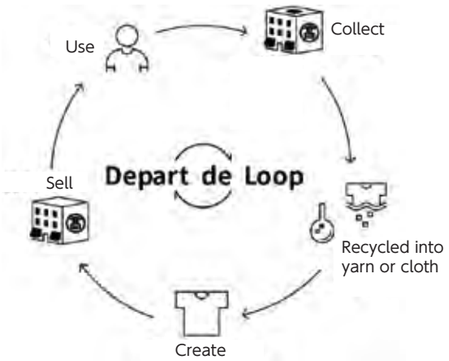
In addition, we are conducting an internal campaign in which stores, business divisions, and Group companies compete to demonstrate the highest level of participation in the "TSUNAGU ACTION" initiative and the Group's sustainable activities (such as clothing and cosmetics recycling and food drive activities) to raise awareness of sustainability throughout the Group.

Scene from a "Project Review Meeting"

Circular *Monozukuri* "Depart de Loop"

The Group has established a recycling scheme for collecting, recycling, and selling surplus clothing and cosmetics through its "Depart de Loop" initiative, designed to contribute to the creation of a sustainable, recycling-oriented society.
Usable products are donated or repurposed, and raw materials are recycled wherever possible.
Our initiative, to create a recycling-based product line, began with recycled polyester apparel, and has now expanded to include denim, cashmere, cosmetics (crayons), and down comforters.
While we aim to move away from the "sell and forget" approach, we will continue to work with our customers and business partners to create a circular society that minimizes the use of new resources as much as possible.

A Cycle That Creates the Future



Sustainable Communication Through Our "Customer Surveys"

In order to achieve a sustainable society through "TSUNAGU ACTION," the understanding and support of our customers is an absolute necessity.
For this reason, we have been conducting an annual "Customer Survey" for our app members since 2023.
A total of approximately 50,000 customers responded to the 2023 and 2024 customer surveys, in which we sought to measure awareness of initiatives such as "TSUNAGU ACTION" and "Depart de Loop," and we also received many comments on the initiatives and sustainability activities that customers expect from us.
One of the comments we received from many was that they wanted us to make the "Depart de Loop" collection activities a permanent feature of our stores, and in response to customer feedback, we have installed permanent collection boxes for clothing, cosmetics, and down comforters in all of our stores from April 2024.
(*Cosmetics collection boxes are available in 7 stores.) We will continue to incorporate customer feedback from surveys and other sources into our initiatives and improve our activities.

Local Community Initiatives at Each Store

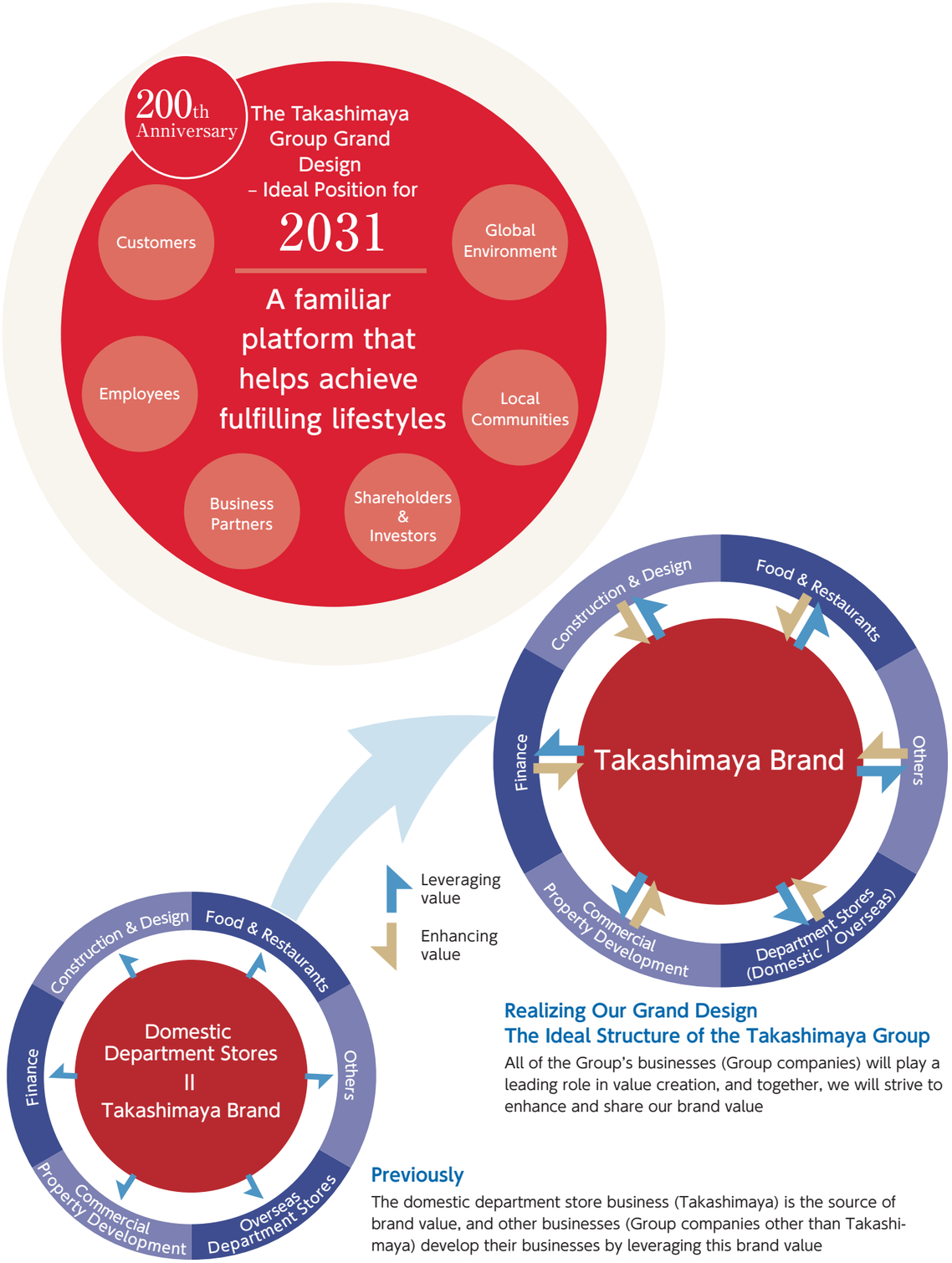
Each of our stores has been working in partnership with local governments, businesses, organizations, and schools to support initiatives that help revitalize the local community and address social issues specific to each region.
Specifically, the Osaka store is involved in the "TSUNAGU MARKET," which supports the art activities of people with disabilities at various welfare facilities in the Kansai region.
The Takasaki store is involved in the "SANCHOKU DEPARTMENT STORE," which features a range of traditional crafts and foods from Gunma Prefecture. The Tamagawa store sells confectionery made by students of Japan's only vocational school established by the confectionery industry at the "Confectionery and Bread Shop of the Japan Cake & Confection College" to support the development of the next generation.
Each store promotes initiatives with the local community in a variety of genres and from different perspectives, tailored to the characteristics of each store.

Food Drive Activities in Partnership with Customers

To reduce household food waste and help those in need, we are promoting "food drive activities" in our department stores and shopping centers, where we collect excess food that customers would otherwise throw away and donate it to food banks and local welfare facilities.
The food donated by customers is delivered to community kitchens for children and those in need through local food banks and other organizations.
In an effort to raise awareness among as many people as possible, we are working to promote and establish our activities through a variety of initiatives, including the provision of information on our website and in each store, the introduction of permanent collection in some stores, and outreach to offices and other facilities near our stores.

<2023 Food Drive Results>
- Participating stores: 8 department stores, 3 shopping centers, 11 stores in total
- Collection results: Total of 1.8 tons of food (donated to local organizations)

The Takashimaya Group Grand Design – Ideal Position for 2031



Realizing Our Grand Design
The Ideal Structure of the Takashimaya Group

All of the Group's businesses (Group companies) will play a leading role in value creation, and together, we will strive to enhance and share our brand value

Previously

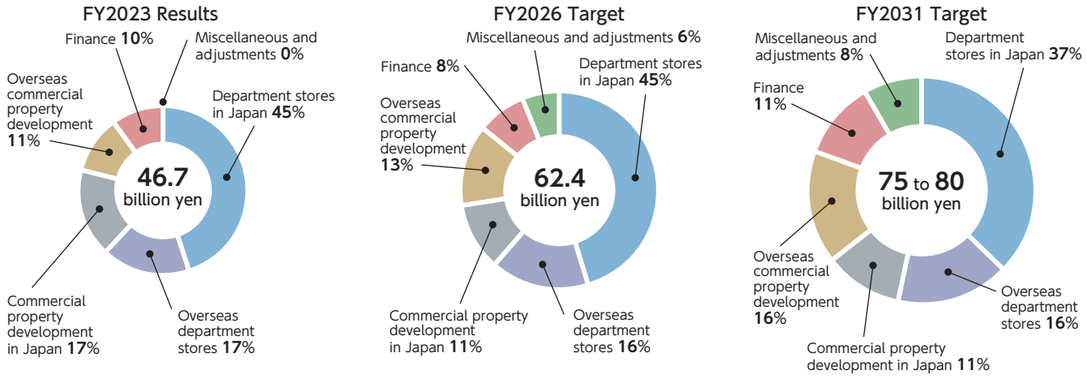
The domestic department store business (Takashimaya) is the source of brand value, and other businesses (Group companies other than Takashimaya) develop their businesses by leveraging this brand value

Ideal Business Portfolio in 2031

As we look toward 2031, our 200th anniversary, we will strive to achieve a balanced portfolio that can respond flexibly to changes in the business environment. Our target for the Group's profit level for FY2031 is 75 to 80 billion yen.

By business segment, we aim to increase the profit share of non-department store businesses such as commercial property development and finance to 47%—approximately half—by FY2031, and, by region, we aim to increase the profit share of overseas businesses to 33%.

Group Profit Level (Consolidated Operating Profit + Dividend Income from Toshin Development's Non-consolidated Subsidiaries in Vietnam)



7-Point Vision for the Future

① Group Position	All Group members work to increase the Takashimaya Group brand value through our ***"Machi-dukuri"*** strategy and apply that towards external competition to achieve Group growth
② Overseas Expansion	Expanding overseas business, exerting Group synergy **Growing Vietnam into the second pillar after Singapore**
③ Direction of Strategy	Fulfilling our role as a community anchor and creating **a new one-stop solution** unique to the Takashimaya Group
④ Value Provision	Maximizing the appeal of properties through **experiential value** rooted in originality (rare and innovative), culture, and fun
⑤ Method 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
⑥ Increased 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
⑦ ESG Management	Position the global environment as a new stakeholder and serving as a social infrastructure working towards both sustainable communities and corporate growth

Background and Aims of Formulation

Amidst the drastic changes in our sales and business operations brought about by the structural reforms we implemented in the wake of the COVID-19 pandemic, concerns about the future were expressed, particularly among younger employees.
Adding to this, against the backdrop of rapid social and competitive changes, we could see that employees were struggling to cope with their daily work, and we felt it was necessary to share with each employee a clear vision of what kind of company we wanted to be in the near future and what kind of company they wanted to work for.

In order to address such issues, we set the year 2031, the 200th anniversary of the founding of the Group, as a major milestone and defined our vision of "the ideal position" for the future in our Grand Design.
Based on this Group vision, we aim to align the direction that the Company and individuals are aiming for by encouraging each company, workplace, and employee to consider from their own perspective and position what kind of added value they can create in the future and to improve engagement and a sense of unity within the organization, as well as the drive to achieve goals.

Formulation Process and Diffusion Activities

In formulating the Grand Design, we took a careful, step-by-step process over a period of about two years. We focused not only on giving shape to management's intentions but also on ensuring that all Group employees had the opportunity to express their views directly.
The aim was to increase everyone's understanding of the final vision and motivate them to make the Grand Design a reality.
In particular, in FY2023, when we invited feedback on the draft of the Grand Design via a web survey, we received a total of over 8,000 responses from over 3,000 employees. Following the announcement of the Grand Design to all Group employees through Company newsletters and other channels in April 2024, we are now implementing a series of diffusion activities at each company and at every level of the organization to ensure that the Grand Design is translated into concrete actions by each and every employee.
For example, Group company presidents have visited their respective sites to hold explanatory meetings, while managers at the department head level and above have held roundtable meetings with their subordinates, or asked each employee to fill out an action declaration sheet, etc. As such, the Group is working on various ways to ensure that the Group's direction is aligned with the goals of the workplace and the individual.

Formulation Phase

FY2022
- Interviews with **200 members** of the executive management team, domestic department store employees, and employees of domestic and overseas Group companies
- Brought-in project for an external workshop at a shared office **"Designing an exciting department store experience for 2025"**
- Discussions with external directors: **May, July, August (individual interviews), and October**
- Discussions with Group company presidents: **March, April, August, and October**

FY2023
- Management meetings and discussions with external directors: **April, May, August, and September**
- Publication of the draft in the Company newsletter (print edition): **25,000 copies**
- Feedback on the draft (web survey): **3,450 respondents**
- Feedback received on the draft: **8,000 comments**
- Management discussions on the revised draft: **January and February**

Diffusion Phase

FY2024
- Grand Design announced via Company newsletter translated in **5 languages**
- Diffusion meetings with store managers, Group company presidents, and store members **(200 participants)**
- Roundtable discussion between the president and employees **(see next page)**

We are in the process of introducing measures to promote the vision of each store and company.

Workshops

Ideas formed at workshops

Meetings at each store

Promotion at each store

Grand Design draft

(Chinese)

(Vietnamese)

(Thai)

(English)

(Japanese)

TOPICS

Roundtable Discussion Between the President and Employees

During FY2022 and FY2023, we were in the formulation phase of discussing and deliberating on the Grand Design.
In FY2024, we have positioned this as the diffusion phase, whereby each employee fully understands the concept and makes it their own, incorporating it into their own work and actions.
As previously mentioned, in FY2024, we are conducting diffusion activities in various formats and units, and as part of this, we held a roundtable discussion where President Murata and Group employees directly interacted with each other.
The participants were a diverse group, coming from different companies and with different jobs.

The following are some of their shared visions for the future.

Personal visions of the future based on the Grand Design

"I want to contribute as a partner to our customers by understanding our services and business scope from the perspective of the entire Group."

"I want to design a store that will be part of a local community *'Machi-dukuri'* in 10 years."

"I want to aim to become a sales professional while acquiring qualifications."

"I want to gain experience in purchasing and selling various products in Japan and eventually work at an overseas store."

"I want to hone my hospitality skills to the point where I become the reason customers come to the store."

"I want to contribute to the revitalization of the local community by utilizing the Group's resources and working with business partners and the local community."

"I would like to use my qualifications and take up the challenge of working in human resources, general affairs, or finance."

"I want to help create a place that is loved not only by customers but also by the people who work there."

"I want to challenge myself to a diverse range of work while also being involved in *'Machi-dukuri.'*"

President
I want to make the Takashimaya Group a company that everyone wants to work for and one that can be proud of its global standing within the wider industry.

Takashimaya Group Company Website: "TAKASHIMAYA GROUP THE SPIRIT"

The Takashimaya Group's initiatives, driven by our Progressive spirit, towards achieving its Grand Design are introduced via videos.

Watch video

Ten years from conception, in the founding city of Kyoto. *"Machi-dukuri"* project of Kyoto Takashimaya S.C. , dedicated to the revitalization of the community.
Watch video

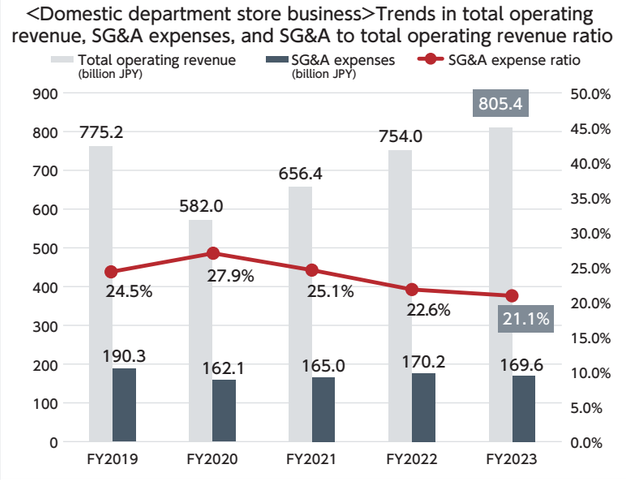
The trials and triumphs of expanding into Asia Singapore Takashimaya S.C.
Watch video

Medium-Term Management Plan (FY2024 to FY2026)

We have formulated our new Medium-Term Management Plan, which we view as a period of laying the foundations for achieving the Group's ideal position in 2031, the 200th anniversary of our founding.
In order to achieve sustainable growth, we will make steady progress in developing new markets, evolving existing businesses, and acquiring new customers.

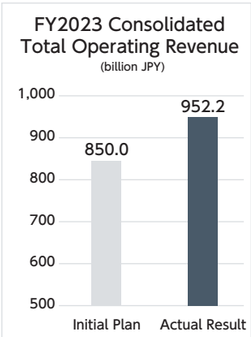
Review of the Previous Medium-Term Management Plan (FY2021 to FY2023)

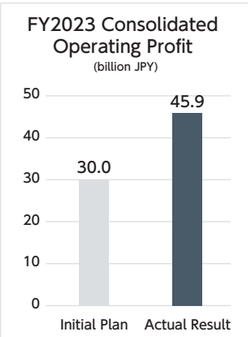
In order to rebuild the management of the company damaged by the COVID-19 pandemic and lay the foundation for future sustainable growth, we have made "structural reforms for department stores in Japan," the Group's core business, a top priority.
In particular, during the period from FY2022 to FY2023, which was a period of recovery from the damage caused by COVID-19, we made decision-making and communication more efficient by flattening the organizational hierarchy of our stores and made bold efforts to improve the efficiency of back-office operations.
At the same time, we made significant cost reductions by bringing outsourced work in-house, using the personnel freed up by these measures.
Meanwhile, we also continued to work on improving our in-store sales capabilities, including through collaborative product development with our business partners, sharing sales information in stores, and training staff to take on purchasing and sales roles through the operation of in-house curated sales areas.
As a result of simultaneously promoting these initiatives, the ratio of selling, general, and administrative expenses to total operating revenue, which was 24.5% in FY2019 before the outbreak of COVID-19, improved to 21.1% in FY2023.



In the Department Stores in Japan business segment, we achieved a dramatic increase in profits owing to the recovery of inbound sales, combined with the transformation of our business structure through decisive structural reforms, which has led to an increase in revenue that is more conducive to profit.
In addition, the performance of Overseas Department Stores, Domestic and Overseas Commercial Property Development, and other Group businesses also saw significant improvements as a result of efforts to strengthen industry competitiveness by leveraging Group synergies.
As a result of these efforts, both our consolidated operating revenue and operating profit for the final year of the previous Medium-Term Management Plan (FY2023) significantly exceeded the initial targets set in 2021.

Furthermore, operating profit, ordinary profit, and net profit all achieved record highs.





Key Performance Indicators (KPIs) for the New Medium-Term Management Plan (FY2026)

Targets for FY2026

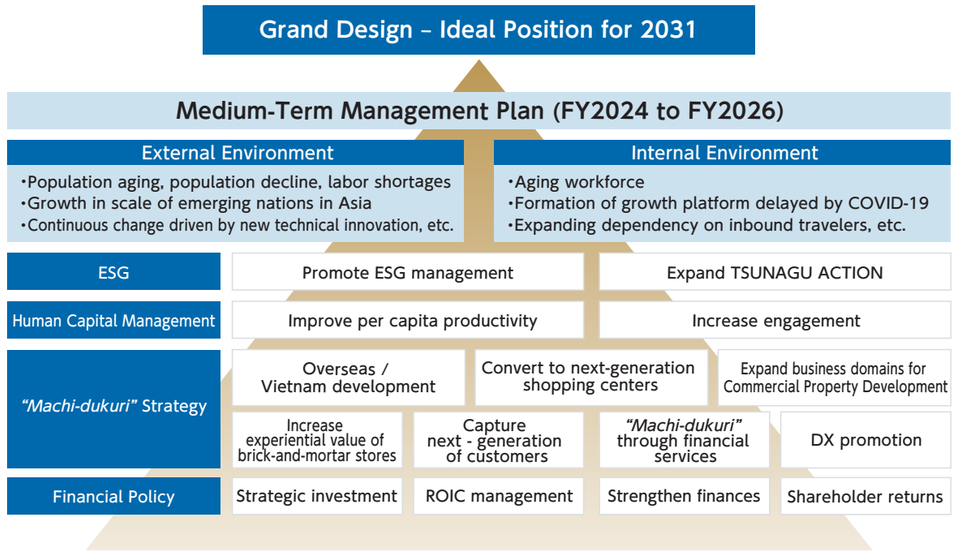
Operating profit	60.0 billion yen	(57.5 billion yen)
ROE	8.5%	(8.0%)

*Figures in parentheses are the original targets announced in April 2024

In the Department Stores in Japan business segment, which is the core of the Group, we expect to capture domestic customer demand by strengthening our fundamental sales capabilities and anticipating a significant increase in inbound sales.
We will also accelerate the growth of each Group company and leverage synergies between Group companies to achieve the operating profit target of 60 billion yen in FY2026, the final year of our new Medium-Term Management Plan.
In addition, by steadily pursuing growth investments, we aim to achieve sustainable profit growth and improve our ability to generate cash while also promoting a flexible capital policy and targeting an ROE of 8.5%.
Furthermore, due to the strong performance recorded in the first half of 2024, particularly in the Department Stores in Japan business segment, we have made upward revisions to the numerical targets for FY2026, which were announced in April 2024, in October of the same year.

Framework of the New Medium-Term Management Plan

To ensure a solid foundation for future growth, we will vigorously promote initiatives to enhance the value of "ESG," which is the cornerstone of corporate management, and "human capital," which is the main source of value creation for our Group.
In terms of our growth strategy, we will maximize the strengths of our Group in accordance with local market characteristics through our Group-wide *"Machi-dukuri"* strategy and will promote community- and customer-focused property development and operations.
From a financial policy perspective, we will allocate cash based on a balance between strategic and efficient investment for sustainable growth, financial soundness, and shareholder returns, and we will achieve a cycle of growth shared with all stakeholders.



ESG

We will further promote the "TSUNAGU ACTION" initiative, which is the hallmark of our Group's ESG activities.
We will integrate ESG activities into the core business of our department stores, striking a balance between resolving social issues and increasing profits.
In FY2024, we will widen the scope of this initiative from department stores to the entire Group.

Human Capital Management

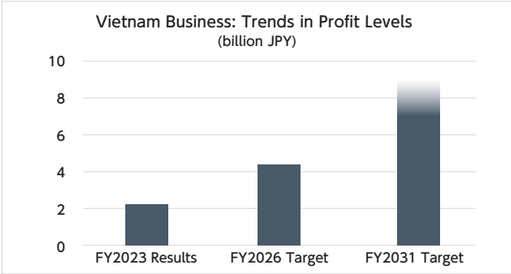
We will strive to improve per capita productivity through measures such as improve wages and benefit, competency development, and improving the working environment, and we will enhance our ability to create additional value.
In September 2024, we conducted a review of the responsibilities and treatment under the post-retirement reemployment system and raised the mandatory termination age to further encourage the active participation of our long-serving human capital.

"Machi-dukuri" Strategy in the Medium-Term Management Plan

[Overseas] Vietnam Development

In Vietnam, the Saigon Centre/Ho Chi Minh City Takashimaya, which opened in 2016, is experiencing sustained growth.
In addition, Toshin Development is actively promoting multiple projects in Ho Chi Minh City and Hanoi, steadily contributing to the Group's profits.
Building on these achievements, our Group's reputation and credibility in Vietnam have continued to grow, leading to the establishment of new partnerships with prominent companies in ASEAN and Japan.
Added to this is the fact that Vietnam is in the midst of population expansion and economic growth, and we believe that the demand for Japanese quality will only increase as living standards rise.
In light of these factors, we have positioned our business in Vietnam as our Group's greatest growth driver, and we will allocate our management resources to facilitate further development.
In August 2024, Ocean Park School opened in Hanoi as our second school in the educational facilities leasing business.
In the "Star Lake B Project," a multi-complex development project for commercial, office, and residential properties in Hanoi that is already under construction, we plan to open a shopping center with a department store at its core in 2027 or later, making it our third overseas store after Singapore and Ho Chi Minh City.

We are also exploring various commercial and non-commercial real estate projects and will move forward with the development of carefully selected projects that exhibit potential for future growth.
Furthermore, we will participate in capital for business development through alliances with blue-chip companies in Vietnam and Japan, and we will seek to increase profits through the acquisition of business expertise and dividend income.
In the current Medium-Term Management Plan, investments are made upfront to prepare for future growth, but we plan to recoup these investments in the next Medium-Term Management Plan and beyond.



*Sum of Takashimaya Vietnam (department store)'s operating profit, Toshin Development's Vietnam business operating profit, and dividend income from Toshin Development's non-consolidated subsidiaries in Vietnam

Convert to Next-Generation Shopping Centers

In Japan, against a backdrop of declining population and soaring construction costs, we will maximize the Group's strengths to enhance the appeal of existing commercial properties and improve profitability.
Specifically, we will promote the shift to "next-generation shopping centers," which aim to diversify motivations for customers to visit and build a broader fan base through emotional engagement by enhancing our existing commercial facilities with unique and innovative content, community functions that bring local people together, and social functions as local infrastructure.
As its first business model, the Kyoto Takashimaya S.C., which opened in October 2023, has attracted a diverse new range of customers who had not previously visited a traditional department store, drawn by the innovative content of subculture and entertainment offered in the "T8" specialty store zone developed by Toshin Development.
At the Kashiwa Takashimaya Station Mall, the second model, a multi-purpose community space and gathering zone has been opened, leading to the arrival of new customers with a variety of purposes.
Going forward, we will continue to leverage the strengths of each commercial facility in response to local characteristics and further expand the conversion to "next-generation shopping centers."

Kashiwa Takashimaya Station Mall
Multi-purpose community space
"Be ARIKA"

Domestic Commercial Property Development: Expand Business Domains

We will seek to diversify our assets and expand our business domains by leveraging the Takashimaya brand and Toshin Development's business development expertise.

●Acquire investment real estate with prospects for value enhancements

We will improve profitability by acquiring existing properties and increasing their value by leveraging the development and operational expertise of Toshin Development.

●Expand of business domains area

Capitalizing on the success of development in Nagareyama City, Chiba Prefecture, we will focus on development along the Tsukuba Express Line, where there is still room for development, and in the Kansai area, where Toshin Development's name recognition has increased with the opening of Kyoto Takashimaya S.C.

Increase the Appeal of Brick-and-Mortar Stores

We will leverage the unique strengths of our department stores, such as our ability to curate in-store displays and act as a cultural hub, to create a distinctive presence and enhance the value we deliver to our customers.

●Editorial capability

We will create sales floors that respond to the diverse needs of customers by developing sales floors that allow customers to compare and choose from a wide range of brands and products from different business partners in a single location, and our self-curated shops, which offer unique product lines that reflect the times and trends.

At the same time, we will also train professional staff in purchasing and sales to drive the Group's growth.

●Cultural dissemination capability

We aim to cater to the intellectual interests of our customers and encourage a diverse range of customers to visit our stores by showcasing the history, art, architecture, and other aspects of the urban culture that our Group has cultivated.

Takashimaya
Archives TOKYO

Capture the next generation of customers

With the upgrade of the Takashimaya app, we are striving to improve the customer experience through the use of digital technology and expand our reach to the next generation of customers.
In addition, we will expand our range of projects aimed at customers who have had limited interaction with traditional department stores, such as exhibitions by artists who have a large social media following of potential next-generation customers and collaborative events with popular TV programs that appeal to a wide range of customers.

Alongside this, we will promote customer visits by selecting and targeting small-group customers who fit the project from among the members of major alliances with over 100 million members, such as d POINT and Ponta, and we will also aim to convert them into card members in the store, leading to the creation of a fan base and customer retention.

Tatsuya Tanaka Exhibition
"Miniature Life / Mitate Mind"

Promoting *"Machi-dukuri"* Through Financial Services

We will accelerate the expansion of our customer base and business domain from the perspective of the *"Machi-dukuri"* strategy, with the aim of providing the financial services sought by local communities and stores.
In doing so, we will leverage the synergies between our newly acquired expertise and customer base and the Group's various businesses, including department stores, to drive further growth for the Group.

●Expanding the customer base

We will continue to expand our customer base in the financial business segment through measures such as raising awareness through the use of media and promoting membership through Group collaboration in areas such as the Takashimaya Business Platinum Card for business owners launched under the previous Medium-Term Management Plan, the Life Partner business that provides advice on asset accumulation and succession, and the app version of the Tomonokai "Sugo Tsumi" using BaaS.

●Expansion of business domains

In the first half of FY2024, we acquired a majority stake in Vaste Culture & Cie., an independent financial advisor (IFA) with a strong focus on private banking services for affluent clients .
We will strive to maximize the value we provide to our customers through collaboration with our department store gaisho personal shopping concierge services.
In addition, we have also formed a capital and business alliance with Fanta, Inc., a company that operates a real estate investment business focusing on healthcare facilities, an area of increasing social demand.
We will engage in collaborative activities in the real estate fund business to expand our revenue opportunities.
Through alliances and M&As, we will continue to seek to develop new areas of business.

DX Promotion

The main goals of our DX promotion strategy have been set as "improving operational productivity" and "enhancing the customer experience," and from FY2024, we launched a company-wide DX promotion project.
In terms of "improving operational productivity," rather than simply digitalizing existing operations, we will review our entire operational structure with the goal of reforming it. We will redirect the management resources freed up by streamlining back-office operations to improve the attractiveness of our stores and sales.
With regard to "enhancing the customer experience," while pursuing data-driven management, we will work to build a platform to strengthen our contact points with customers, who are our most important asset, and to reinforce data management, while also promoting the use of digital technology to contribute to improving in-store omotenashi (hospitality) and convenience.
With regard to AI, which is becoming increasingly important in the IT sector, we will continue to expand the scope of its use while conducting repeated verification through internal use.
In addition, we will systematically work to improve the digital skills of all employees as an essential foundation for promoting DX.

Financial Policy in the Medium-Term Management Plan

Strategic Investments – Cash Allocation and Investment Plan

We expect to generate 250 billion yen in operating cash flow over the three years of our Medium-Term Management Plan, of which 80–90% will be focused on capital investment for future sustainable growth, with the aim of achieving our profit targets for 2031.
Meanwhile, we plan to allocate 3–5% to the repayment of interest-bearing debt and 7–10% to shareholder returns.
In terms of capital investment, we will focus our investment on overseas commercial property development, notably in Vietnam, which we view as a future growth driver for the Group.
As for our Department Stores in Japan, we will work to steadily capture the luxury market with a focus on our large-scale stores, and we will also promote the restructuring of our self-curated sales floors and open sales floors, which are the strengths of our department stores, to enhance our competitiveness in each region.

Furthermore, we intend to build a strong financial base by systematically reducing interest-bearing debt in anticipation of a decline in the equity ratio due to the introduction of lease accounting in the future, the risk of business suspension due to large-scale disasters or infectious diseases, etc.
With regard to shareholder returns, while our basic policy is to maintain a stable level of dividends, we will take into account our business performance and the overall business environment when deciding on dividends.
In addition, if operating cash flow and cash on hand exceed expectations, we will reallocate funds to additional growth investments and shareholder returns, etc., as the situation requires.
In October 2024, the Group announced an "ESG share buyback" of up to 15 billion yen to be funded from cash on hand.

(Unit: billion JPY)

Medium-Term Management Plan: Total Investment

*Indicated amounts include expenses.

Operating cash flows	250	Capital Investments 80–90%	220	
		Growth Investments	Overseas commercial property development	51
			Commercial property development in Japan	38
			Department stores	31
			Finance and other	27
		Other Investments	Safety and security	30
			Digital Transformation (DX)	8
			Systems maintenance	20
			ESG	3
			Human capital	12
		Financial health 3–5% (reduction of interest-bearing debt)		10
		Shareholder returns: 7–10%		20

Promoting ROIC Management

In order to increase investment effectiveness and further promote management that is mindful of capital costs, we will promote ROIC management throughout the Group.
We will set ROIC targets that exceed the weighted average cost of capital (WACC) in each business segment and achieve a consolidated ROIC of 6.3%.
As a means of further increasing the practical efficacy of ROIC management, we will also subdivide return on invested capital (ROIC) targets within each business segment, with targets for Department Stores in Japan set on a store-by-store basis and targets for other segments set on a Group company basis.
We are currently in the process of creating a system that will enable the management of each business segment to make investment decisions responsibly.
Furthermore, each store and Group company is creating an ROIC tree based on the characteristics of the respective region and business.
In addition to the management team, each frontline employee clarifies what they need to do from their own perspective to improve ROIC, and this is linked to specific actions.

(Unit: billion JPY)

Segment	Operating profit				ROIC			
	FY2023 Results	FY2024 Target	FY2026 Plan		FY2023 Results	FY2024 Target	FY2026 Target	
			April 2024 Announcement	October 2024 Revision			April 2024 Announcement	October 2024 Revision
Department Stores in Japan	21.1	26.5	25.9	28.2	4.9%	4.0%	5.2%	5.6%
Overseas Department Stores	8.0	8.6	9.7	9.7	10.3%	11.1%	11.1%	11.1%
Commercial Property Development in Japan	7.9	7.0	7.1	7.1	6.6%	3.9%	4.7%	4.7%
Overseas Commercial Property Development	4.4	6.1	5.9	5.9	5.1%	3.7%	5.0%	5.0%
Finance	4.6	4.7	5.3	5.3	8.3%	8.0%	7.0%	7.0%
Construction and Design	(0.7)	1.7	1.2	1.2	—	10.6%	7.7%	7.7%
Other	2.1	2.5	3.4	3.6	6.8%	8.2%	10.4%	11.8%
Consolidated Total	45.9	55.0	57.5	60.0	5.5%	6.2%	6.2%	6.3%
				(WACC)	4.6%	4.8%	4.7%	5.3%

Financial KPIs

We will strive to achieve balanced growth by setting KPIs for each of the following: growth indicators, financial soundness indicators, and shareholder return indicators, as well as by implementing management aimed at achieving these KPIs.

Theme	KPI	FY2023 Results	FY2024 Target	FY2026 Target	
				April 2024 Announcement	October 2024 Revision
Profit growth	Operating profit (billion JPY)	45.9	55.0	57.5	60.0
	ROIC (%)	5.5	6.2	6.2	6.3
	ROE (%)	7.3	8.3	8.0	8.5
Financial health	Net interest-bearing debt (billion JPY)	114.2	124.0	104.0	106.0
	Equity ratio (%)	35.7	36.7	42.1	41.1
Shareholder returns	EPS (JPY)	200	121*1	134*1	144*1
	DOE (dividend-on-equity ratio) (%)	1.35	1.45	1.30	1.38
	Share price (JPY)	2,254	1,600*1	1,750*1	1,900*1
	PBR (Multiple)	0.78	1.06	1.00	1.07
	TSR (total shareholder return) *2	100	146	160	173

*1 The Company carried out a 2-for-1 stock split for its common shares, effective September 1, 2024.
*2 (Stock price for year in question + cumulative dividend amount) / Stock price for the base year (FY2023)

TOPICS Status of Dialogue with Investors in FY2023

In FY2023, department stores attracted the attention of investors in Japan and overseas as a reopening stock due to factors such as rebounding consumption and expansion of inbound sales as we recovered from the impact of COVID-19, and the number of dialogue opportunities increased significantly.
In addition to the resumption of our President's personal dialogue with overseas investors, which had been suspended due to COVID-19, we actively promoted IR activities to promote a deeper understanding of our Group, including on-site tours and briefings at the newly opened Kyoto Takashimaya S.C.
The opinions of investors received through these dialogues will be reported at the Board of Directors meetings and, in addition to expanding the scope of information disclosed, will be reflected in the Group's sales and capital policies as deemed appropriate.

	Number of Times	Dialogue Counterparty (Attribute)	Respondent			
			President	Director	Executive Officer	IR Finance
2nd/4th Quarter Financial Results Briefing	2	Analysts, fund managers	○	○	○	—
1st/3rd Quarter Financial Results Briefing	2			○	○	—
Small Meeting	10		○	○	○	—
Overseas Local IR Meeting	27	Overseas institutional investors	○	—	○	—
Business Briefing (Kyoto Takashimaya S.C.)	1	Analysts, fund managers	—	—	○	—
Individual Interviews	139	Analysts, domestic and overseas institutional investors	—	—	—	○
Total	181	The number of meetings is counted regardless of the number of participants (companies) in attendance.				

Efforts to Address Environmental Issues

The Takashimaya Group outlines unceasing efforts to protect the global environment as one of the Five Policies of our Management Philosophy. In the "Takashimaya Group Environmental Policy," we also prioritize the prevention of global warming and the reduction of CO2 emissions as part of our mission to contribute to the realization of a sustainable society.
Since the formulation of our policy in 2000, we have been engaged in various activities taking advantage of the unique traits of our business, including our direct connections with many customers, business partners, and local communities through our department stores and shopping centers.
Meanwhile, the average global temperature in 2023 was 1.45°C higher than before the Industrial Revolution, the highest in recorded history, and the increasing frequency and severity of natural disasters associated with climate change, record-breaking high temperatures, impacts on biodiversity, and various types of pollution, including marine plastic, are threatening our lives.
Environmental issues are becoming a problem that cannot be put off, and the importance of efforts to address environmental issues is increasing.
We recognize that social and economic activities are dependent on natural capital (environment) and that if we do not protect natural capital, social and economic activities will become unsustainable. We therefore consider the global environment to be an important stakeholder and will contribute to the realization of a zero-carbon society and a recycling-oriented society.
To this end, we will continue to push forward with efforts to address the five core environmental issues set out in our ESG management, and we will continue to challenge ourselves to transform the way we do business and shift to a model that regenerates and restores global resources.

Takashimaya Group Environmental Policy

Basic Policy

The Takashimaya Group is focused on efforts to prevent global warming in order to protect the global environment. We will propose a fulfilling lifestyle for the 21st century that will help to solve environmental issues by carrying out various activities centered around reducing CO2 emissions.

1. Promote energy conservation in all stores and offices by quickly introducing the latest technology. Also, promote the elimination of waste, recycling, and conservation of resources.
2. Propose a fulfilling lifestyle and actively introduce, develop, and sell products that can contribute to reducing environmental load such as by reducing CO2 emissions.
3. Have an awareness as a member of the local community, constantly strive to protect the environment, and convey the importance of doing so through every opportunity.
4. Work together with our business partners to reduce CO2 emissions, reduce waste, recycle, and conserve resources throughout the entire distribution process.
5. Support all our employees to proactively work to promote a new lifestyle that helps reduce environmental load, both within the company and in their everyday lives.
6. Comply with environmental laws, regulations, agreements, etc., and where necessary, establish our own standards and thoroughly manage environmental risks including preventing pollution.

Established April 2000 Revised January 2008

Environmental issue KPIs: FY2023 status

Environmental issue	KPI	FY2030 target	FY2023 Target	FY2023 Actual result
Promotion of zero carbon **RE100**	Ratio of electricity used in business activities that is renewable energy	30%+	5.5%	4.6%
	Rate of reduction in CO2 emissions from electricity use (compared to 2019)	-35%	-5.6%	-2.2%
Promotion of zero carbon **EV100**	EV conversion rate	100%	0.3%	0.3%
	Reduction in the number of vehicles owned (compared to 2019)	-115 vehicles	-17 vehicles	-108 vehicles
Sustinable/Circular business	Volume of unwanted items collected	15.0 t	10.0 t	10.0 t
Reduce plastic wast	Waste plastic recycling rate	100%	98.0%	97.4%
	Reduction in total waste discharge (compared to 2019)	-30%	-24.8%	-17.5%
Reduce food loss	Compostable waste recycling rate	100%	75.0%	66.9%
	Reduction in compostable waste discharge (compared to 2019)	-20%	-15%	-2.0%

Promotion of Zero Carbon RE100

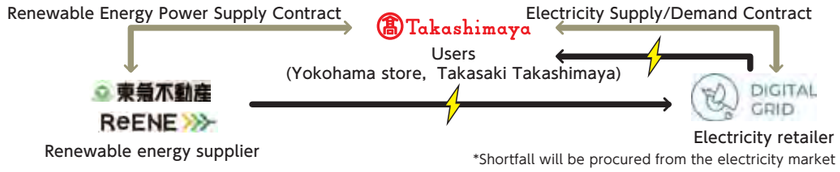
Participation in the initiative

We joined the RE100 in 2019 in order to accelerate our efforts to address climate change. RE100 is an international initiative aiming for the use of 100% renewable energy for the electricity used in business activities.

We are promoting initiatives to achieve a zero-carbon society and the goal of switching to 100% renewable energy for the electricity used in business activities by 2050.

Expansion of electricity from renewable energy sources

In order to achieve RE100, we have been gradually expanding our use of renewable energy since 2020, when we began using renewable energy sources to power the facilities operated by Toshin Development.
In FY2022, we introduced renewable energy to five facilities, including ANNEX 2 and the Komorebi Terrace at the Nagareyama Otakanomori S•C
Also, in FY2023, we launched Japan's first large-scale off-site corporate PPA demonstration project under a short-term contract as a new mechanism that balances the promotion of zero carbon and diversification of electricity procurement methods.
Specifically, for two years from April 2023 to April 2025, approximately 4 MW (rated capacity) of renewable energy generated by non-FIT solar power plants owned and to be developed by Tokyu Land Corporation will be introduced to the Yokohama store and Takasaki Takashimaya through ReENE, utilizing Digital Grid's "digital grid reform."



Promotion of energy conservation

We are working to reduce the power consumption of our domestic department stores by switching existing lighting fixtures to LED lighting.
Between 2011 and 2021, we reduced our electricity consumption by approximately 25,000 MWh through investment in LED lighting.
Despite undertaking projects in FY2023 that increased our energy use, such as the opening of new facilities, we still managed to reduce group-wide electricity usage by approximately 3,000 MWh YoY as a result of accelerating investment in LED lighting and promoting energy conservation.

Promotion of Zero Carbon EV100

Expansion of charging facilities to promote the spread of electric vehicles

We have joined the international initiative EV100, which sets the target of converting our directly managed fleet to 100% electric vehicles by 2030.
In order to achieve EV100, we are reducing the size of our fleet, including vehicles used for travelling sales, and improving the environment for EVs. In FY2023, we installed EV charging facilities in the underground parking lot of the Group Headquarters Building with a view to introducing EVs in the future.
As well as putting in place a system to facilitate the conversion of our fleet to EVs, we are also working to promote the spread of EVs by expanding installation of charging facilities in customer parking lots.

We have installed 20 EV chargers at the Tamagawa Takashimaya S•C 24 at the Nagareyama Otakanomori S.C., one at Kashiwa Takashimaya Station Mall, and one at Shinjuku Takashimaya Times Square (as of the end of FY2023), and are also gradually expanding to other facilities.
The fees we collect from the use of our EV chargers are used for the greenification of our SCs, so we are working together with our customers to promote decarbonization.

Circular Business

Promotion of new circulation and recycling

We are working with various partners to expand our new recycling and circulation cycle in order to further spread and expand our circular business.
As part of our social contribution efforts through employee participation in "Depart de Loop," we launched an inner campaign in 2023 to donate T-shirts to children based on the amount of clothing collected from our employees (one recycled polyester T-shirt donated for every 10 kg of clothing collected). Approximately 410 kg of clothing was gathered from each of our department stores, the Group Headquarters Building, and other locations. Through the Ibaraki NPO Center Commons, we were able to deliver 41 T-shirts to children with foreign roots.
Some collected clothing is difficult to recycle into new clothing materials, so we are also trying new methods to keep as much of it in circulation as possible without having to dispose of it.
As an example, the Takashimaya Yokohama store's "Style & Edit" which reopened in September 2024, uses recycled fixtures made in part from clothing collected at the Yokohama store.

Reduction of Waste Plastic

Rationalization of the use of single-use plastics and promotion of recycling of waste products made from plastics

We are working to rationalize the use of single-use plastic products by reducing the thickness of plastic supplies and switching to alternative materials, and calling on customers to cooperate with our refusal to provide single-use plastic products, in accordance with the "The Plastic Resource Circulation Act."
As a result, we have seen a steady 46% reduction of waste plastic in FY2023 compared to 2020 (base unit: kg/million yen).
*Reduction target: Reduce the provision of single-use plastics in domestic department stores by 30% by 2030 (compared to 2020, base unit)

In addition, the polyethylene plastic covers used to protect our clothing during delivery are being recycled into new plastic materials through the "POOL PROJECT" collaboration with RECOTECH (at three stores: Nihombashi Takashimaya S.C., Shinjuku Takashimaya Times Square, and Tamagawa Takashimaya S•C.
We will gradually expand the facilities where this is being done as we work to reduce waste plastic and improve the material recycling rate.

Reduction of Food Loss

Promotion of initiatives aimed at reducing food loss

As well as reviewing and extending the "sell-by" date of food products, expanding sales by weight and pre-order sales, raising awareness of the practice of "temae-dori" (actively encouraging consumers to select and buy products placed in the front of the shelves), and allowing customers to take home leftover food from some restaurants, we are also using unsold food to support local communities as long as we can guarantee the safety of the products.

Specifically, we are using our "Rose Kitchen" grocery home delivery service to donate food about to reach its "sell-by" date that is scheduled for disposal to people in need through "Community Fridge Soka."
In addition, at some stores (Yokohama, Kashiwa, and Kyoto), we are working to receive donations of unsold bread from our business partners and deliver it to local NPOs and children's cafeterias.

Participation in the FRY to FLY Project

In September 2024, we joined the "FRY to FLY Project" to reuse waste cooking oil as aviation fuel in order to promote the recycling of food waste.
Waste cooking oil from restaurants and food floor kitchens, etc. at Shinjuku Takashimaya Times Square and Nagareyama Otakanomori S•C is being recycled into sustainable aviation fuel (SAF) through this project.

We will expand this initiative to our other stores and shopping centers as we continue to promote the recycling of food waste and contribute to the realization of a zero-carbon society.

Environmental Topics Group initiatives

Our group is working to solve environmental issues in accordance with the business characteristics of each company.
Below are some of the activities that our companies are engaged in.

Toshin Development "Creating a sustainable urban development through coexistence, co-prosperity, and co-creation"

Toshin Development has been working on urban development from a long-term perspective, with a basic strategy of developing commercial facilities that starts with the creation of a location.
Now, in the face of climate change and major changes in the macro environment, Toshin Development is aiming to leverage its "qualities" as an SC developer as well as the "locality" of city center where the SC is located to "create a smart community" together with diverse stakeholders.
Specifically, Toshin Development has set three themes as the domain for SDG undertakings in order to focus on areas where it can make the most of its qualities and assets: (1) Realization of a "clean & green" living environment for humans; (2) Ensuring sustainability though reduction of loss; and (3) Promotion of changes in society; making it more universal, less stressful, and more eco-friendly.

R.T. Corporation "Environmentally friendly delicatessen sales containers"

R.T. Corporation opened the first overseas branch of "LINA STORES," a popular Italian delicatessen and restaurant in the Soho district of London, in Omotesando, Tokyo, in 2021. Environmentally friendly biomass containers have been introduced at LINA STORES as well as at "Fauchon Gastronomy," which is located in the food department of the Nihombashi Takashimaya S.C.
(Scheduled to be introduced at Fauchon Gastronomy from late December 2024)

The takeout containers used at LINA STORES are made from bagasse, a byproduct of sugar cane, while the delicatessen sales containers used at Fauchon Gastronomy use pulp mold, which is made by dissolving plant fiber in water and pouring it into a mold.
R.T. Corporation is working to create sustainable stores and, in turn, a sustainable society.

Takeout containers used at LINA STORES

Takashimaya Space Create "Takashimaya Space Create Forest afforestation project"

"Takashimaya Space Create Forest" began as a seedling drive in 1992 proposed by employees as a social contribution project.
Approx. 9,000 Japanese cypress and broad-leaved trees were planted on 3.18 ha (about 10,000 tsubo) of natural recreation forest in Hamamatsu City, Shizuoka Prefecture, and the local forest owner's cooperative has been entrusted to maintain and manage the beautifully restored forest, including pruning and thinning.
Not only does this forest make a significant contribution to reducing CO2 in the atmosphere (226 t-CO2/2023 *Estimate), it also raises the environmental awareness of employees.
The company, who benefits from trees and forests, will continue to carry out afforestation activities with a sense of gratitude.

The forest before tree planting in March 1993 and the forest as of June 2018

SIAM Takashimaya "Taka Earth Care & Charity"

"Taka Earth Care & Charity" is a project that SIAM Takashimaya has been carrying out since 2022 as the only Japanese-owned department store to contribute to Thai society. Specifically, SIAM Takashimaya is actively involved in volunteer activities and charity work in response to the environmental issues and social issues in Thailand.
The first phase of the project involved planting mangrove forests at the mouth of the Chao Phraya River in the suburbs of Bangkok. In 2023, the company visited the Ban Tham Hin Border Patrol Police School, a facility run by the Thai Border Patrol Police that supports children from hill tribes who have no relatives or nationality, and provided lunch for the children and donated toys and stationery.
A total of 125 employees, including staff from SIAM Takashimaya's business partners, assisted in activities such as providing lunch, desserts and snacks, and holding a raffle; and planted a "Thai Sakura" tree to commemorate the occasion.

Information Disclosure in Accordance with the TCFD Recommendations

Support for the TCFD recommendations

Our "Takashimaya Group Environmental Policy" sets forth our aim of preventing global warming, reducing CO2 emissions, and proposing a fulfilling lifestyle for the 21st century that will help to solve environmental issues.
This Group Environmental Policy is also our fundamental stance for linking business activities to the resolution of environmental issues undertaken through ESG strategy. We engage in various activities in line with our environmental policy while applying unique traits of our business, including our direct connections with many customers, business partners, and local communities.At the same time, however, environmental issues such as climate change, resource depletion, and a decline in biodiversity have been worsening globally in recent years, increasing the importance and urgency for initiatives to address environmental issues.Particularly with department store operations, our mainstay business, our current business model is based on the assumption of an environmental load, including the large-scale consumption of electricity generated from fossil fuels and other underground resources, large volumes of plastic and food waste, and the overstocking of clothing. This is something we recognize as fundamental risk.To address this situation, the Takashimaya Group will transform our conventional business model to a business model that regenerates and repairs the earth's resources. Our Group will work towards both resolving environmental issues and achieving business growth.As part of this mission, we have declared our support for TCFD recommendations, and will further enhance our information disclosure for the four disclosure items recommended by the TCFD: "Governance," "strategy," "risk management," and "metrics and targets."

What is the TCFD?

TCFD * was established by the Financial Stability Board (FSB) at the request of the G20 to consider climate-related disclosure and the response of financial institutions.In June 2017, the TCFD published a framework for disclosure to help investors properly assess the climate-related risks and opportunities of companies. Currently, the initiative has been handed over to the International Sustainability Standards Board (ISSB) of the IFRS Foundation. *"Task Force on Climate-related Financial Disclosures"

[1] Environmental governance

(1) Process for the Board of Directors to receive reports on climate-related issues, frequency of inclusion as a discussion item, matters subject to monitoring >>

Our Group will work to resolve social issues, increase our corporate value, and pursue sustainable growth by promoting Group ESG management. To respond to the expectations of customers, shareholders and investors, and our many other stakeholders, the Group is working to strengthen corporate governance and establish an internal control system. We established the "Takashimaya Group CSR Committee" and the "Takashimaya Group Risk Management Committee," both of which are chaired by the President, as the main committees related to internal controls. These committees deliberate on and confirm important matters related to sustainability, and submit reports to the Board of Directors. The "Takashimaya Group CSR Committee" convenes semiannually to validate and strengthen our system on a group-wide level, including reinforcing compliance management and confirming the status of internal controls, progress on core ESG issues, and initiatives being implemented to address new social issues. The Group is strengthening governance of initiatives under a structure through which these committees submit reports on the details of deliberated issues to the Board of Directors, which then monitors progress.
The "Takashimaya Group Risk Management Committee" works to strengthen internal controls by convening as necessary and coordinating with relevant departments to establish response networks for each issue. We have established a group-wide structure for preventing and minimizing compliance risks and risks related to natural disasters. We are also establishing a group-wide risk management structure that will enable us to accurately control the balance of risks and returns associated with challenging ourselves in new business domains and other risks related to business strategy. Details of these deliberations are reported to the Board of Directors.
We also have established a system for more effectively and uniformly promoting ESG strategy within our organization. The "Takashimaya Group Environmental and Social Contribution Subcommittee," which enhances policy management and progress management from a group-wide perspective, holds quarterly meetings to promote the steady advancement of initiatives related to core issues.

(2) Management's responsibility for climate-related issues, process for receiving reports, (committees, etc.), monitoring methods >>

To ensure appropriate and sound business execution throughout the Group, the Board of Directors appropriately supervises the performance of duties by directors and regularly confirms the status of operations and issues related to the basic polices outlined to ensure effective group-wide internal controls. We work to strengthen governance for initiatives related to sustainability issues through a supervisory structure overseen by the Board of Directors. The "Takashimaya Group CSR Committee," which is chaired by the President, reports on the status of progress for ESG priorities. For issues requiring improvement, the Committee reinforces the implementation of PDCA cycle and conducts monitoring each fiscal year to ensure that improvements are reflected in activities for the following fiscal year. The details of those activities are then reported to the Board of Directors.
The "Takashimaya Group Risk Management Committee," which is also chaired by the President, identifies various risks associated with our business activities. The Committee reports to the Board of Directors on matters discussed, including measures to minimize losses in the event of a risk occurrence.

[2] Strategy (climate-related scenario analysis)

(1) Details on short, medium, and long-term risks and opportunities >>

To ascertain the financial impact of the risks and opportunities that future climate change will present to our business activities, Takashimaya held workshops for selected employees. In the workshop, participants used the scenario analysis methods based on frameworks recommended by the TCFD to predict and analyze changes in our external environment that we can expect to see in 2050. Issues such as changes in our natural environment caused by climate change and resource depletion will have a significant, long-term impact on our business activities. As such, we recognize the need to transform from our existing business to a business that helps regenerate the earth's resources. This transformation must go beyond our department stores to encompass the business of our entire Group. Based on our vision for a future society, we set achievement goals for 2030 (medium to long-term) and annual numerical targets (roadmap) for the 10 ESG priorities related to the environmental and social domains, and are implementing a PDCA cycle to manage progress.

(2) Details and extent of impact from risks and opportunities related to Group business, strategy, and financial plans >>

The Takashimaya Group separates climate-related risks recommended by the TCFD into two categories, transition risks and physical risks, and then identifies major risk items with the potential to have a significant impact on our business activities.
To conduct "evaluations based on various climate-related scenarios, including the 2°C or lower scenario," we reference existing scenarios such as IPCC and IEA to analyze the impact on our business activities and financial health. We then evaluate and implement response measures designed to support sustainable growth.
For our scenario analysis, we used the below 2°C scenario outlined as a goal in the Paris Agreement and the 4°C scenario, which assumes insufficient CO2 emission reductions. During our analysis, we also referenced the typical climate-related risks and opportunities recommended by the TCFD.

Assumed scenario

Below 2°C scenario	・Increase in business operating costs due to the enforcement of strict laws and rules related to climate change response ・Increased product procurement risks due to soaring energy costs and product prices ・Capturing new markets created by increase in consumer environmental awareness
4°C scenario	・Loss of business opportunities caused by increasing frequency/intensity of natural disasters, including damage to stores and supply chain disruption ・Soaring energy prices and increasing product procurement risks due to lack of resources ・Market elimination of companies that are unable to break away from business models that assume causing an environmental load

Summary of Takashimaya Group risks and opportunities, impact on business and financial position

◎=Incredibly significant ○=Significant ⬆=Will increase greatly ↗=Will increase ➡=Minor

Risk/ opportunity category			Summary of climate-related risks and opportunities for the Takashimaya Group	Impact on business and finances: Below +2°C	Impact on business and finances: +4°C*
Risk	Transition risks	Market and technology	・Increased procurement costs associated with conversion to renewable energy ・Decline in competitiveness due to delays in capturing environmental market demand	○	↗
Risk	Transition risks	Reputation	・Loss of trust from stakeholders, damage to brand value, decline in Takashimaya cardholders, some of our most loyal customers, due to delays in responding to environmental issues	◎	⬆
Risk	Transition risks	Policies and laws	・Increased business operating costs associated with enhanced regulations, including adoption of carbon tax and response to the Act on Promotion of Resource Circulation for Plastics	○	➡
Risk	Physical risks		・Store closures due to occurrence of large-scale natural disaster, lost sales opportunities due to supply chain disruption	◎	⬆
Opportunities	Energy sources		・Reduced utility bills associated with promotion of energy conservation ・Secure resilience for business activities through disaster preparation	○	↗
Opportunities	Markets		・Resonate with stakeholders and increase corporate value through promotion of ESG strategy ・Capture markets by offering products and services aligned with increasing environmental awareness	○	↗

*The arrows in the +4°C column indicate the magnitude of the financial impact on our company as compared to the below +2°C scenario.

Support for the TCFD recommendations

Scenario-based risks & opportunities, financial impact, and relevant response strategy and resilience >>

When evaluating the impact of the two scenarios for 2030 on our business and finances, we estimated the financial impact of the below 2°C scenario assuming the adoption of a carbon tax as part of regulatory enhancements and the costs of procuring electricity derived from renewable energy could have an impact on our financial position.
In response to the impact that climate-related risks could have on our business activities and financial position, and to contribute towards the realization of a sustainable society, we promote "Group ESG management" aimed at resolving social issues and achieving business growth.
As part of these management practices, in 2019, we joined the RE100, an international initiative aiming for the use of 100% renewable energy for the electricity used in business activities. We are promoting initiatives to achieve a zero-carbon society and the goal of switching to 100% renewable energy for the electricity used in business activities by 2050.
The Takashimaya Group is also working to reduce power consumption and CO2 by gradually upgrading the facilities of each store to highly energy-efficient equipment, and by switching existing lighting fixtures to LED lighting. At department stores in Japan, we reduced electricity consumption by roughly 25,000 MWh and reduced CO2 emissions by roughly 10,000 t-CO2 between 2011 and 2021.
In FY2022, the Group invested approximately 520 million yen towards the switch to LED lighting, which reduced CO2 emissions by 2,500 t-CO2.

Through our Group-wide strategy of "Machi-dukuri" (i.e., the "Machi-dukuri" strategy), we work to fulfill a community anchor role and to maximize the attractiveness of our commercial facilities. At the same time, through initiatives such as "TSUNAGU ACTION," the Takashimaya Group is working to capture new markets by offering environmentally friendly products, services, and storefront facilities, and by engaging in the development of next-generation commercial facilities that propose new value.
Takashimaya Group management pursues the effective group-wide utilization of internal business assets previously concentrated in department stores to strengthen the profitability of existing businesses and promote business expansion and new business development that will support future growth. We will capture new business opportunities by working to constrain risks related to climate change while proactively responding to market changes.

Financial impact on the Takashimaya Group

Estimated financial impact in 2030
Carbon tax adoption → approx. +2.5 billion yen
Calculated based on our CO2 emissions from 2019 (approx. 230,516 t-CO2) using the carbon tax price (approx. 11,000 yen/t-CO2) for developed countries in 2030 based on the IEA below 2°C scenario
Renewable energy procurement → Approx. +1.6 billion yen

*Cited from the IEA (International Energy Agency)

[3] Risk management and initiatives

(1) Details of process for identifying and evaluating climate change-related risks, method of determining importance >>

To address business risks, including climate change-related issues, the "Takashimaya Group CSR Committee" and the "Takashimaya Group Risk Management Committee," both of which are chaired by the President, extract and evaluate various risks related to Group business execution. The committees deliberate on risk prevention and measures for minimizing losses in the event of a risk occurrence. Furthermore, details on deliberations related to risk identification and evaluation are submitted as a final report to the Board of Directors.

(2) Details of process for managing important climate change-related risks, method of prioritization >>

Sustainability-related risks and opportunities, including those related to climate change, have a significant impact on Group business activities. For environmental issues identified as Group ESG strategy priorities, the "Takashimaya Group Environmental and Social Contribution Subcommittee" and the "Takashimaya Group CSR Committee" confirm the status and progress of initiatives implemented based on annual plans, and issue reports to the Board of Directors.
For sustainability-related risks identified by the "Takashimaya Group Risk Management Committee," we used the frequency and possibility of occurrence and the business impact level as assessment criteria to create risk maps and evaluate importance.
In addition to creating internal controls, which includes our risk management structure, as part of a group-wide system for preventing and minimizing risks, we are establishing a structure for overall group risk management that will also enable us to accurately control the balance of risks and returns associated with challenging ourselves in new business domains and other risks related to business strategy.

(3) Status of integration of framework into group-wide risk management >>

Sustainability-related risks, including those related to climate change, can have a significant impact on our business activities. Through the "Takashimaya Group CSR Committee" and the "Takashimaya Group Risk Management Committee," we are working to strengthen our response when risks occur and our risk management structure.
As part of our risk initiatives, we are promoting "RE100" and "EV100," which work towards the realization of a zero-carbon society, working to reduce waste plastic and food loss, and striving to build a circular business structure.
At the same time, to minimize loss of business opportunities associated with the intensifying and increasing frequency of natural disasters, we are conducting capital investments to increase the resilience of our stores and facilities.

[4] Metrics and targets

(1) Metrics used to manage climate-related risks and opportunities >>

We defined Scope 1, 2, and 3 greenhouse gas (GHG) emissions volume and the ratio of electricity used in business activities that is renewable energy as metrics to manage climate-related risks and opportunities.

(2) GHG emissions (Scope 1, 2, and 3) >>

With department stores as our mainstay business, we position our current business model, which assumes an environmental load, as a risk. As such, we are working towards resolving environmental issues.
In 2019, we joined RE100, an international initiative that aims to supply 100% renewable energy for the electricity consumed in business activities to promote the realization of a zero-carbon society.
In FY2023, our Scope 1 and Scope 2 GHG emissions were roughly 206,000 t-CO2 and Scope 3 GHG emissions for department stores in Japan were roughly 3,442,000 t-CO2.

Greenhouse gas emissions

	Scope		2019	2020	2021	2022	2023
CO2	Consolidated	Scope 1 emissions (t)	24,953	21,055	20,197	19,910	18,905 *1
		Scope 2 emissions (t) <calculated based on market standards>	205,563	178,090	183,301	179,377	187,350 *1
		Scope 1+2 emissions (t)	230,516	179,145	203,497	199,286	206,255 *1
	Domestic department stores	Scope 3 emissions (t)	3,382,417	2,495,547	2,772,244	4,264,039	3,442,335
Fluorocarbon emissions *2	Domestic department stores and shopping centers	t-CO2	1,552	1,609	1,580	967	1,119

*1. Preliminary figures (third-party verification is being obtained)
*2. Fluorocarbon leakage from freezers and refrigerators used in stores is converted into CO2 in accordance with the Fluorocarbon Emissions Control Act.

(3) Targets used in climate risk and opportunity management, and results >>

We joined the "RE100" in 2019.
As a target, we set the goal of reducing Scope 1 and Scope 2 GHG emissions by 30% or more by FY2030, and achieving zero Scope 1 and Scope 2 GHG emissions by FY2050. We are working towards the realization of a zero-carbon society based on a roadmap outlining numerical targets for each fiscal year.
We used Scope 1 and Scope 2 GHG emissions from FY2019 as the basis for setting medium and long-term GHG emission reduction targets and RE achievement targets, and are promoting zero carbon initiatives based on these targets.
Since switching facility electricity to electricity derived from renewable energy in FY2020, the Group has continued to promote the switch to renewable energy. In FY2022, we switched to electricity derived from renewable energy at five facilities, including ANNEX 2 and the Komorebi Terrace at the Nagareyama Otakanomori S.C. In FY2023, the Group adopted electricity derived from renewable energy via a Corporate PPA for a portion of the electricity consumed at the Takashimaya Yokohama store.

Scope 1・2	FY2019	FY2025	FY2030	FY2050
GHG emissions (t-CO2)	**230,516**	**208,961**	**161,361**	**0**
Reduction (t-CO2) *vs FY2019	**—**	**-21,555**	**-69,155**	**-230,516**
GHG reduction target (%)	**—**	**-9.4**	**-30% or more**	**-100**
RE achievement rate (%)	**0**	**8.6**	**30% or more**	**100**

Initiatives for Social Issues

In order to achieve "Realize the 21 st-century world in which everyone prospers it is essential to build a society that respects diversity and where everyone can play an active role.
However, in today's society, social inequality issues caused by various factors such as gender, disability, age, employment, regional disparity, and educational disparity are becoming increasingly severe every year, and various divisions are surfacing. Additionally, the impact of corporate activities on such human rights issues and social challenges is exceptionally significant, and businesses are being called upon to take action with a more conscious approach to the entire supply chain than ever before.
As a business that is closely involved with customers, business partners, and local communities while also serving as a part of social infrastructure, we believe that our Group has a significant role to play and enormous potential to contribute to the resolution of a wide range of social issues.
With the goal of respecting the human rights of all people and achieving true diversity, equity, and inclusion, we are working with all our stakeholders to promote five key priorities: "Promotion of diversity," "Promotion of work style reform," "Universalization of facilities and services," "Coexistence with local communities (the *"Machi-dukuri"* strategy)," and "Promotion of social contribution activities."
In addition, in January 2024, based on our management philosophy of "Putting People First," we announced our "Human Rights Commitment" to respect the human rights of all people throughout our supply chain.
Together with our stakeholders, we will continue to offer unique value propositions such as "responding to diverse values and utilizing diverse human capital," "creating a comfortable work environment and career support," "stress-free products, services, and facilities," and "community functions in local communities," and we will work toward building a society in which everyone can sustainably thrive.

Social Issues KPI FY2023 Status

Social Issues	KPI	FY2030 Target	FY2023 Target	FY2023 Actual Result
Promotion of diversity	Ratio of female managers	**40% or more**	**33.3%**	**28.6%**
Promotion of work style reform	Paid leave acquisition rate	**100.0%**	**65.0%**	**75.9%**
	Per capita productivity (operating profit/number of employees)	**6.6 million yen**	**3.9 million yen**	**6.8 million yen**
Promotion of universalization of facilities and services	Ratio of employees with universal-related qualifications	**20.0%**	**11.7%**	**14.3%**
Coexistence with local communities	*No numerical targets have been set.	・Sustainable infrastructure ・Creation of community hubs	・In collaboration with local governments, nearby schools, and businesses, we will broaden our infrastructure capabilities, which address diverse local needs and issues. ・We will promote and expand community-building that connects people in the local area, focusing on facilities such as shopping centers, with the goal of local revitalization.	
Promotion of social contribution activities	*No numerical targets have been set.	・Social contribution activities that leave no one behind	・We will enhance our social contribution schemes to encourage the participation of stakeholders such as business partners, employees, and customers. ・We will promote cultural activities, including information publicity at Takashimaya Archives (Osaka) and Archives TOKYO (Tokyo).	

The Takashimaya Group Diversity Promotion Policy

In 2020, the Group formulated its Policy on promoting diversity and is taking steps to create an environment that allows our diverse workforce with different values and backgrounds to maximize their potential and achieve mutual growth for both people and the Company.

Guided by this policy, we will continue to respect diverse values and abilities and create a diverse, equitable, and inclusive workplace where all employees can find fulfillment in their work.

Policy on promoting diversity

1. Under the Takashimaya Group management philosophy of "Putting People First", we position and promote diversity as a driver of growth.
2. We strive to create an environment that promotes health advancement for all people, that is free of discrimination and harassment, and that overcomes the various differences between people working together, including race/nationality, age, gender, sexual preference, sexual identity, physical disability, employment type, or workstyle, to respect the human rights of all people and accept diverse uniqueness and perspectives.
3. We will aim to be a corporate Group in which all people feel motivated and proud to work in the Takashimaya Group. We will create an environment in which people learn from each other and that supports people being able to maximize their individual capabilities, skills, and ideas towards the continuous creation of new value.

Formulated: July 2020

Promotion of Diversity

Initiatives to Promote Women's Empowerment and Gender Equality

We support the placement and advancement of employees based on their motivation, skills, and future career aspirations, with the goal of creating an environment where everyone, regardless of gender, can play an even more active role in the right place.
In addition, in order to create an environment in which all individuals, with their different values and backgrounds, can work comfortably and reach their full potential, it is necessary to provide support tailored to each individual's situation based on the concept of equity.
We are embarking on a reform of employee awareness with the aim of creating a workplace culture that is open and conducive to fluid communication through initiatives such as unconscious bias training and "Diverse Workforce Development Training," which teaches participants how to manage a workplace that includes members with various limitations and circumstances, such as childcare and caregiving.

With regard to women's empowerment, we have set specific numerical targets for the proportion of female managers, identified issues, and formulated the "Action Plan for Promoting Women's Empowerment." We have also endorsed the "100% Male Paternity Leave Declaration" and are working to encourage male participation in childcare by developing paternity leave, as well as childcare leave policies that go beyond the legal requirements, with the aim of creating a workplace that is friendly to all employees regardless of gender and for eliminating the perception of fixed gender roles.

In 2016, the Company received the "Eruboshi (Three Stars) Certification" from the Ministry of Health, Labour and Welfare.

In 2017, the Company received the "Prime Minister's Award" for Leading Companies Where Women Shine.

We are committed to promoting the uptake of paternity leave.

Initiatives for the LGBTQ+ Community

Our Diversity Promotion Policy clearly states that we will strive to create an environment where everyone can play an active role without discrimination or harassment, regardless of differences in sexual orientation, gender identity, etc., and we are promoting various initiatives.

[System]
・Application of welfare and benefit programs to same-sex partners
・Clear reference to the prohibition of discrimination and harassment on the basis of sexual orientation and gender identity in the Company's employment regulations
・Paid leave system for gender reassignment surgery and hormone therapy
・Establishment of internal and external consultation hotlines

[Environmental improvements and fostering a corporate culture]
・Training for management and supervisors, with open access to e-learning
・No requirement to state gender when applying as a new graduate
・Abolition of female uniforms
・Sponsorship of LGBTQ+ support groups / participation in Rainbow Events
・PRIDE Month implementation

Our Company President, Mr. Murata, endorses the PRIDE1000 initiative of the Corporate Management Ally Network.

Click here to view messages from advocates and supporters of "work with Pride"
(will be redirected to an external website)

In recognition of such efforts, we received a "Gold" rating in the "PRIDE Index 2024," a set of evaluation indicators for LGBTQ+ and other sexual minority workplace initiatives developed by the non-profit organization, "work with Pride."

Employment of Persons with Disabilities

We are committed to creating workplaces where employees with disabilities can fulfill their potential in order to achieve the goal of the SDGs of "leaving no one behind."
We have established a system to promote the retention of employees with disabilities in each business division and store of our department stores and have appointed a person in charge of promoting the employment of persons with disabilities*1 and a counselor to support the professional lives of persons with disabilities*2.
While working with support centers in each region to support the employment and retention of persons with disabilities, we have established work teams at our Yokohama, Kyoto, and Nihombashi stores and are in the process of placing job coaches in each store.
Creating an environment that is comfortable for employees with disabilities leads to creating a workplace that is comfortable for everyone.
By entrusting persons with disabilities with various roles that support sales and improve productivity, we are working to improve operational efficiency and support store operations together.

*1 In order to promote and stabilize the employment of persons with disabilities, the person acts as a contact point for matters relating to the employment of persons with disabilities at the corporate level and performs administrative tasks such as liaising and submitting notifications regarding the development of employment management and other conditions, along with the preparation of employment plans for persons with disabilities.
*2 The counselor provides counseling and guidance related to the professional life of employees with disabilities working in the relevant workplace.

Promotion of Work Style Reform

Support for Work-Life Balance

To help employees with diverse personal backgrounds and lifestyles achieve work-life balance, we are working to improve our HR systems and create a better work environment.
In addition to maternity, childcare, nursing, and family care, we have a wide range of leave systems in place, including injury, illness, and infertility leaves, to provide an environment where employees can continue to work through transitions in life stages or unexpected circumstances.
In particular, we have established a number of systems that can be used flexibly according to the stage of childcare, including a childcare leave system that goes beyond the legal requirements, a system of nine different types of reduced working hours, and a system of school event leave that can be used for school events.
To make it easier for employees with children to work, we also provide temporary in-house childcare on Sundays and holidays during the busy season for employees who have no place to leave their children.
We have also established a system of family care leave that goes beyond the legal requirements, and our system of reduced working hours for family care allows employees to take up to a total of nine years of leave per family member.
Through these systems, we continue to support all employees so that they can work with a sense of security and without sacrificing their careers.

In 2015, Takashimaya Co., Ltd. and Okayama Takashimaya Co., Ltd. were certified as "Platinum Kurumin" companies by the Minister of Health, Labour and Welfare for their high-level initiatives to support employees with children.

Support for Diverse External Experiences

●Secondary jobs

We have introduced a secondary job system as a mechanism to contribute to the growth of each individual and the creation of innovation through external experience.
In order to enable employees to continue working while also having a secondary job, we have a system in place that allows employees to work reduced hours for their secondary job, take leave, and to also take a leave of absence for a fixed period of time.

●Volunteering / self-development support

Recognizing the diversification of individual values and lifestyle perspectives, we provide support for volunteering and self-development in order to help our employees achieve a more fulfilling life.
We support independent external activities by providing a leave of absence system and paid leave for volunteering.
In addition, we have established a joint labor-management education program to promote a variety of learning opportunities to help employees lead fulfilling lives, and we support each individual's independent self-development by subsidizing the cost of various courses within certain limits.

Visited the orphanage "Ban Rom Sai" in Chiang Mai, Thailand, which the Company has supported continuously for about 20 years

Summary of Various Work-Life Balance Support Systems (Domestic Department Store Example)

	Childcare	Family Care
Leave of absence	Up to 3 years old, can be divided into two periods *Up to 14 consecutive days are paid. *Maternity leave is up to 8 weeks after childbirth, and up to 14 days are paid.	Up to a total of 1 year per eligible family member
Work style	Until the end of the third year of elementary school (Some patterns are until the end of the sixth year of elementary school.)A total of 9 patterns, including reduced hours and full-time with fixed start and finish times	Up to a total of 9 years per eligible family member A total of 6 patterns, including reduced hours and full-time with fixed start and finish times
Leave (paid)	Reserve leave *, up to 40 days per year School event leave, up to 2 days per year (half days allowed)	Reserve leave *, up to 40 days per year
Leave (unpaid)	Nursing leave, up to 15 days per year	Family care leave, up to 15 days per year

	Secondary Jobs	Volunteer Work	Fertility Treatment
Leave of absence	Up to 2 times in total (2 years) from 1 month to within 1 year	From 1 month to within 3 years	—
Work style	Up to 2 years per time, up to 3 times in total Reduced working hours: 3 patterns in total		—
Leave (paid)	—	Reserve leave *, up to 30 days per year Volunteer leave, up to 2 days per year	Reserve leave *, up to 40 days per year
Leave (unpaid)	Secondary job leave, up to 10 days per year		"Heartful" leave, up to 40 days per year

*Accumulated expired annual paid leave that can be used for limited purposes.
Can be taken in one-day units within the number of days accumulated.

Improving Work-Life Balance

In order to improve the work-life balance of our employees, including those of our Group companies and business partners, we are promoting shorter opening hours and the introduction of store holidays.
We have taken the decision to close our stores on January 2, 2025, which we hope will lead to improvements in employee satisfaction and motivation.
Also, in order to cut down on long working hours, we are adopting a flexible working hours system based on annual operational plans that take into account the busy and quiet periods of each store and workplace, as well as allowing for flexible planning of the start and finish times of shifts.
Furthermore, we have set a KPI of achieving a 100% paid leave acquisition rate by 2030 and are promoting a campaign to encourage the acquisition of annual paid leave, including refreshment leave that can be taken according to the number of years of service and a life plan leave to consider life plans at milestone ages.
We have also introduced a remote work system as one of the diverse work styles, and by effectively combining it with in-office work, we aim to achieve autonomous work execution and productivity improvement by taking advantage of remote work, which allows employees to focus on their work and produce high-value-added output.

Improving the Workplace Environment

We believe that improving and enhancing the workplace environment is essential for each and every one of us, including employees of business partners and tenants, to work with energy and enthusiasm.
In particular, the employee cafeteria is an important welfare facility that is directly related to satisfaction with the workplace environment, and as part of the Group's work style reform, Takashimaya and RT Corporation launched a joint project in 2016 with the aim of creating "Japan's Best Employee Cafeteria."
Through regular user surveys, we review menu content and pricing to further improve the attractiveness of our employee cafeterias, which are used by approximately 10,000 employees per day at 16 locations.
In addition to employee cafeterias, we are also working to improve the convenience and comfort of our back-of-store facilities, and we are striving to create an environment in which employees can work with a high level of satisfaction by responding appropriately to the results of employee surveys and other such data.
At the Tokyo Group Headquarters Building and the Osaka East Annex Office Building, we are working to create an environment, systems, and rules that allow each individual to work more productively by implementing a hot-desking system and establishing relaxation rooms.

Employee cafeteria at the Takashimaya Times Square (Shinjuku) store, renovated in 2024

Social Topics Global Framework Agreement (GFA)

"Global Framework Agreement" (GFA): A Code of Conduct for Fulfilling Social Responsibility through a Joint Labor-Management Initiative

In November 2008, Takashimaya became the first Japanese company to sign a "Global Framework Agreement"—a four-way agreement between Takashimaya Co., Ltd., the Takashimaya Labour Union, JSD (now UA Zensen*1), and UNI*2.
A Global Framework Agreement is a labor-management agreement on a company's code of conduct in the areas of human rights, labor, and the environment.
It is a joint pledge that not only declares the Company's commitment to society but also affirms that the Company has signed an agreement with the union representing its employees and will work together to promote it.
Aiming to achieve a high level of social responsibility (SR) that is becoming more sophisticated in the context of economic globalization, the Company and the union will work together to review activities each year and will promote initiatives to further demonstrate practical capabilities.
In addition, we are leveraging UNI's global network to strengthen our risk response in the Asian region, where we anticipate future business growth, and we are working to create a Company that better meets society's expectations.
In November 2010, then-President Suzuki delivered a message to the world at the UNI World Congress on behalf of the GFA companies and their labor and management representatives.
Since the signing of the Global Framework Agreement, the efforts of the Company and its employees to strengthen SR have been recognized by UNI Apro*3, and the Company has been awarded the "Partnership Enterprise Award," which is given to companies that "work together as partners for global harmony and shared prosperity, with the aim of achieving long-term mutual benefit through cooperation between management and labor."

*1 An industrial union that was formed in 2012 through the merger of the Japan Federation of Service and Distributive Workers Unions (JSD) and the UI Zensen Union
*2 Union Network International: An international industrial union comprised of 900 labor unions in 150 countries, representing 20 million workers in the finance, service, and distribution industries. Its headquarters are located in Nyon, Switzerland.
*3 The Asia & Pacific Regional Organization of the Union Network International (UNI)

Universalization of Facilities and Services

Initiatives to Achieve High-Level Standardization Across All Department Stores and Shopping Centers

The Group aims to create environments, facilities, and services where everyone can enjoy a comfortable and stress-free experience, regardless of differences in race, nationality, age, gender, or disability. In addition to promoting accessibility in our facilities, such as removing steps and installing ostomy toilets, we are also working to further improve universal hospitality, such as encouraging department store and shopping center employees to take the Universal Manners Test.
We also sought outside expertise and conducted surveys on our website and the service situation at each facility. Based on the survey results, we will work toward high-level, universal standardization by promoting the formulation and revision of response policies, the development of various tools and manuals, and the sharing of best practices.

Coexistence with Local Communities

Expansion of Community Hubs as Local Infrastructure

As part of our *"Machi-dukuri"* strategy, we provide places for the local community to gather and connect.
Toshin Development has developed the "LOOP" community hub at shopping centers in Futakotamagawa, Nihombashi, and Nagareyama Otakanomori, and we conduct activities tailored to the characteristics of each local area, as well as support volunteer activities led by community leaders who live and work in the area.
In September 2024, the community space "BeARIKA" was opened at the Kashiwa Takashimaya Station Mall, connecting people and the town.
The aim is to create a community space where people can meet and interact and where new "Is that possible ?!" discoveries can be made through real-life interaction.
In addition, to promote *"Machi-dukuri"* in collaboration with local government, Toshin Development has concluded a "Comprehensive Partnership Agreement on Regional Revitalization" with Nagareyama City, Chiba Prefecture, in March 2023—the first such agreement for a commercial developer.
Going forward, we will continue to promote initiatives to play an even more significant role as a form of local community infrastructure, focusing on Nagareyama Otakanomori S・C in areas such as "Machi-dukuri," child care, and disaster relief.

(From left) Mr. Kuramoto, President of Toshin Development, and Mr. Izaki, Mayor of Nagareyama City

Promotion of Social Contribution Activities

Social Contribution Activities by Employees

As part of the "Takashimaya Single Grape Fund," we engage in labor-management initiatives that support various social contribution activities, including environmental conservation, community contributions, welfare, and nursing care. We are working to raise awareness among employees and provide opportunities for employees to participate in volunteer activities.
In FY2023, we held DVD screenings for employees to raise awareness of the eradication of child labor, and employees volunteered to provide learning support for children with foreign roots, as well as manage Halloween and Christmas events.
We also participate in the "Table for Two" initiative, which donates a portion of the proceeds from limited-time menu items sold in the employee cafeterias at each store to food relief efforts in developing countries.
In FY2023, we were able to raise 721,080 yen.

Proposing a New Style of Customer Participation

In addition to accepting donations from customers via collection boxes in our stores, our Company also accepts online donations through a crowdfunding platform.
In the case of the "2024 Noto Peninsula Earthquake Emergency Relief" online fundraising campaign, launched in response to the earthquake that occurred on January 1, 2024, we donated 4,805,000 yen to the prefectural disaster relief committee through the Japanese Red Cross Society. (In addition to the online donation, a Group store donation of 6,289,880 yen and corporate donation of 2,000,000 yen were made, totaling 13,094,880 yen.)
Furthermore, in addition to the existing "donation-type" system, we also launched a "purchase-type" system with the aim of supporting the cultivation of next-generation human capital and monozukuri manufacturing, and in May 2024, we raised 378,510 yen for the "Return to Sender" project (Uganda), which works to address the issue of clothing waste in Africa by sending back "re-valued" remade goods made from a combination of used clothes from Uganda and clothes sent by supporters.

Social Topics Group Initiatives

The Group is engaged in efforts to resolve social issues in accordance with the business characteristics of each company. Below, we introduce the activities of each company.

Takashimaya Financial Partners: Contributing to the Resolution of Social Issues Through the Finance Business

Takashimaya Financial Partners is engaged in the business of providing solutions to customers' asset formation, contingency guarantees, inheritance, and other issues through its financial products and services at the Takashimaya Financial Counter in the Nihombashi, Yokohama, and Osaka stores.
In Japan, the necessity for individuals to prepare for a super-aging society and the underutilization of household financial assets have led to the promotion of policies and initiatives aimed at fostering a nation of asset management, such as the new NISA system introduced in 2024; however, overall societal challenges persist, such as a lack of basic financial knowledge and the reality that more than half of household financial assets are in cash and deposits.
Takashimaya Financial Partners is striving to serve as a platform connecting customers with society by operating Takashimaya Financial Counters, which are accessible and at familiar locations within the department stores. Through optimal advice and tailored proposals provided by our advisors, we contribute to stable asset management for our customers while addressing societal challenges through our core business activities.
In addition, Takashimaya Financial Partners launched a social lending (also known as loan-type crowdfunding) business in July 2021 that connects companies seeking to raise funds with investors seeking to lend money and earn a yield, and it has facilitated a total of 13 deals (as of October 2024).
The Company plays an active role in bridging the gap between the funding needs of businesses and the asset formation needs of customers and is contributing to society through lending.
In June 2024, Takashimaya established FUKUWAKE (a framework for delivering the necessary funds to non-profit corporations and research institutions committed to addressing social issues) and made Vaste Culture & Cie. (a company aiming to achieve a better society by promoting the integration of wealth management and social contribution activities) a subsidiary.
The Takashimaya Group, led by Takashimaya Financial Partners, will continue to contribute to the resolution of social issues through its finance business.

Ho Chi Minh City Takashimaya: VP on the Theme of LGBTQ+ to Coincide With PRIDE Month in June

To coincide with PRIDE Month in June*, Ho Chi Minh City Takashimaya set up an entrance display with boards explaining LGBTQ+ and PRIDE Month in Vietnamese and English, along with a photo spot featuring the rainbow flag, the symbol of LGBTQ+.
The store also created an area where customers could participate, with a large heart-shaped display board where they could express their love in any way they wished and a mailbox where they could post their own love stories.
In addition, PRIDE Month was celebrated throughout the store with rainbow flags adorning the signs on each floor.
These initiatives were the brainchild of the store's Vietnamese employees and became a hot topic on social media, attracting many customers to the store.
Ho Chi Minh City Takashimaya will continue to promote various activities to create a society where everyone can live their true selves.

*A month-long awareness-raising campaign and series of events to celebrate and respect diversity and social fairness

Practicing Management that Respects Human Rights

Human Rights Commitment

Since its founding in 1831, the Group has upheld the founding spirit of respect for human rights, as expressed in the "Store Creed," which state that "We shall treat customers equally, without discrimination based on wealth or status."
Building on the spirit of the "Store Creed," in 1991, we formulated the Takashimaya Group Management Philosophy, "Putting People First," which clearly defines our commitment to contributing to society through our core business.
We share our Management Philosophy, which expresses our respect for humanity as a fundamental value that never changes, with all our employees, and we apply it to our modern ESG management.
In addition, to ensure that our work-life balance initiatives are effective, we must continue to build on our efforts to date while deepening our efforts in line with the current business environment and societal demands.
In 2000, the Group established an external consultation service for harassment, the Sexual Harassment Hotline (currently the Harassment Hotline), and in 2004, we published the Compliance Guidebook, which includes respect for human rights as one of the obligations that employees must uphold, and we are working to ensure that this is understood and adhered to by each and every employee.
In 2008, we became the first company in Japan to sign a "Global Framework Agreement" with our labor union, as a set of guidelines for fulfilling our corporate social responsibility.
Following this, we have been working with our labor union to review our activities each year in the areas of "environment," "human rights," and "labor," with the goal of creating a company that meets society's expectations.
In 2020, the Group also formulated its "Policy on promoting diversity" that respects diverse values and abilities, which in turn leads to corporate growth.
In 2021, we formulated and promoted the "Takashimaya Group Basic Policy on the Acceptance of Foreign Nationals" as part of our ongoing efforts to practice management that respects human rights.
Respect for human rights is a fundamental value shared by all humanity, and it is the responsibility of businesses to respect the human rights of all people and to contribute to the creation of a sustainable society.
Guided by this recognition, our Group is committed to practicing management that respects the human rights, individuality, and values of all people, as well as ensuring full compliance with laws and regulations related to human rights.
The Group will conduct its business activities in accordance with the various policies and guidelines that it has formulated to ensure that it respects human rights and that all officers, management, and employees of each Group company comply with its human rights policies.
The Group will also actively encourage its business partners and suppliers to understand and support its human rights policies and to work together to address social issues through mutual business activities.
To put into practice management that respects human rights, we will establish a human rights due diligence system based on the "Guiding Principles on Business and Human Rights" endorsed by the United Nations Human Rights Council and work with our supply chain partners to prevent and remedy not only human rights abuses that directly cause negative impacts but also those that indirectly contribute to or are complicit in such impacts.
Management that respects human rights will be pursued throughout the Group, and the status of initiatives throughout the Group will be reviewed by the Takashimaya Group CSR Committee, which is chaired by the President and overseen by the Board of Directors.

Formulated: January 2024

Revision of the Takashimaya Group Transaction Guidelines

Based on our founding spirit, the "Store Creed," and our Management Philosophy of "Putting People First," we have always upheld respect for human rights as a fundamental value and linked it to our modern ESG management. In January 2024, we announced our "Human Rights Commitment," both internally and externally, which commits us to work with our business partners and suppliers to prevent and remedy human rights abuses that directly impact the entire supply chain, as well as those that indirectly contribute to or are complicit in human rights abuses.
In addition, in order to provide safe and secure quality products, environments, and services, we have revised our Transaction Guidelines to promote not only legal compliance but also transactions guided by a broader perspective of social responsibility, adding provisions on environmental conservation, anti-corruption, and respect for human rights in the supply chain, along with expanding the scope of application to include domestic and overseas Group companies, as the "Takashimaya Group Transaction Guidelines."
We have asked our business partners to consent to our guidelines to build a sustainable supply chain that is fair, equitable, and respectful of the environment and human rights.
We will continue to promote better business practices and strive for coexistence and co-prosperity while building fair and good partnerships with each of our business partners.

Click here for the Takashimaya Group Transaction Guidelines

Implementation of a Business Partner Survey

In order to build a fair, equitable, and sustainable supply chain based on the Group's Transaction Guidelines, which were revised in January 2024, the understanding and cooperation of our business partners are essential.
As a result, we asked more than 10,000 business partners across the Group to submit consent forms for their approval and cooperation.
In addition, in August 2024, as a first step, we conducted a survey of approximately 1,000 of our domestic department store suppliers to determine their initiatives to prevent and mitigate the risk of human rights abuses in the supply chain.
We will continue to analyze the survey responses, further deepen our communication with suppliers, and work to prevent, mitigate, and remediate risks.

Survey Overview

Objective	To verify compliance with and the status of initiatives regarding each provision of the Takashimaya Group Transaction Guidelines (human rights, environment, compliance)
Scope of Survey	1,000 companies selected from among suppliers with ongoing business relationships with our domestic department stores
Survey Period	September 2024
Method of Survey	Online response
Question items	・Status of initiatives for local communities ・Status of initiatives for fair trade (compliance with laws and regulations) ・Status of initiatives for respect for human rights ・Status of initiatives for reducing environmental impact ・Status of initiatives for quality and safety ・Status of initiatives for appropriate information management

Formulation of the Takashimaya Group Basic Policy on Customer Harassment

In recognition of the fact that "harassment" is a grave risk in terms of the probability and severity of its occurrence in our Group's business activities, we have formulated and announced the "Takashimaya Group Basic Policy on Customer Harassment" to reduce and prevent risks and to address "customer harassment" against our employees and those of our business partners.
While we strive to build trusting relationships with our customers by responding to their needs and striving to improve our services, we will also create an environment in which all our Group employees, including our business partners, can work with a sense of fulfillment and security.

Click here for the Takashimaya Group Basic Policy on Customer Harassment

Employee Awareness Education

In FY2023, as part of our "Compliance Training" for managers and supervisors, including those at Group companies, we covered the topic of "Business and Human Rights" as a training initiative for employees to prevent and mitigate human rights risks. We also provided e-learning training on current issues required in managing harassment, LGBTQ+ issues, and other issues.
In addition, in FY2024, we provided training to the purchasing staff of each domestic department store and the merchandisers/buyers of the MD Division using original e-learning materials, covering the basic concept of human rights due diligence required of companies and human rights risk issues in the department store supply chain.
We will continue to ensure that our employees do not directly violate or indirectly contribute to human rights abuses.

“Believing in people, loving people, and serving people”

The Group’s Basic Approach to Corporate Governance

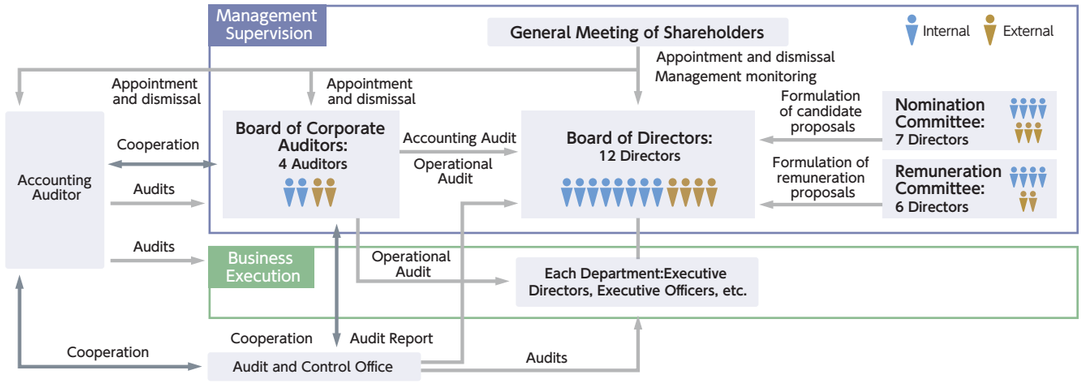
Based on the Management Philosophy of “Putting People First,” we aim to be a corporate group that continuously contributes to society by valuing the spirit of “Believing in people, loving people, and serving people.”
In order to achieve this goal while increasing corporate value and meeting the expectations of our various stakeholders, including customers, shareholders, and investors, we recognize the strengthening of corporate governance as a key management priority and are therefore engaged in the following initiatives.
As a company with department stores at its core, we believe it is fundamental to quickly capture customer insights and daily business data and to feed them directly into management to promote management from the customer’s perspective. Based on this principle, we will continue to ensure that corporate governance functions cohesively at all levels of management, from upper management to the front line.

(1) Establishing an Executive Officer System to revitalize and optimize the Board of Directors.
(2) Delegating authority from the Board of Directors to the business execution line to expedite decision-making and policy implementation
(3) Setting the term of Directors (including Executive Officers) at one year to clearly define their respective responsibilities for each fiscal year
(4) Establishing a Director Remuneration System that incorporates a performance-based remuneration system to strengthen incentives to improve performance and increase corporate value
(5) Establishing a Nomination Committee and a Compensation Committee with outside directors as members to ensure fairness and transparency

Corporate Governance Structure

The Corporate Governance Structure of our Company is based on the Board of Directors and the Corporate Auditor system.

Management Structure



Board of Directors

The Board of Directors decides on the execution of business operations for the Company and the Group and monitors the execution of duties by Directors to ensure that they are conducted appropriately.
To reinforce these functions, we have streamlined the number of Directors (12) and introduced an Executive Officer System to ensure active discussion and appropriate decision-making from the perspective of overall Group optimization.
In addition, for the purpose of gaining constructive advice from a broader perspective, four of the Directors are Outside Directors, and in order to clarify the respective responsibilities of each fiscal year, the term of office of Directors is set at one year.
Furthermore, in order to incentivize the improvement of business performance and corporate value, we have established a “performance-linked remuneration system.”

Board of Corporate Auditors

The Board of Corporate Auditors comprises four Corporate Auditors, two of whom are Outside Corporate Auditors, who regularly monitor the execution of duties by Directors from an independent perspective.
Internal Corporate Auditors are selected based on their extensive and comprehensive knowledge on management in order to ensure effective management supervision and to provide recommendations to the management team.
With respect to Outside Corporate Auditors, we focus on ensuring their independence and expect them to enhance the effectiveness of audits based on their neutral and objective perspective as well as their expertise in areas such as finance, accounting, and law.
For accounting audits, we work in partnership with KPMG AZSA LLC to ensure that audits are carried out fairly and appropriately.

Nomination Committee and Remuneration Committee

The Company has established a Nomination Committee and a Remuneration Committee as advisory bodies to the Board of Directors to ensure fairness and transparency in management.
The Nomination Committee, which includes Outside Directors, deliberates on candidacy proposals for Directors and Executive Officers and personnel-related proposals. The Committee held two meetings in FY2023.
The Remuneration Committee, chaired by an Outside Director, deliberates on the appraisal of Directors and Executive Officers and the amount of individual remuneration. The Committee held four meetings in FY2023.

Nomination Committee	Purpose and authority: To ensure greater transparency and fairness in the nomination of Directors and to establish and maintain a sound management structure Number of members: 7 (including 3 Outside Directors) Committee Chair: Internal Director
Remuneration Committee	Purpose and authority: To improve the fairness, appropriateness, and transparency of remuneration for Directors and Executive Officers Number of members: 6 (including 2 Outside Directors) Committee Chair: Outside Director

Corporate Governance Structure

Effectiveness of the Board of Directors

Since FY2015, the Company has been conducting assessments of the Board of Directors with the aim of improving the effectiveness of the Board and thereby increasing corporate value.
The assessment for FY2023 was conducted in February 2024.
With respect to the assessment criteria, we conducted the assessment from the perspective of whether the duties and roles of our Directors are performed in accordance with the relevant principles of the Corporate Governance Code and whether appropriate systems are in place for the effective functioning of the Board.
The assessment was conducted by means of a questionnaire for all 12 Directors and 4 Corporate Auditors, with individual interviews based on the results of the questionnaire for the 4 Outside Directors and 2 Outside Corporate Auditors.
In light of the results of the questionnaire and interviews, the Board members conducted a self-assessment at the Board of Directors meeting in February 2024.
The results of the questionnaire and interviews were generally positive, and as a result, it was ascertained that there were no substantial issues with the decision-making and management supervisory functions to be fulfilled by the Board of Directors or with the systems in place to ensure the proper execution of these functions.
Proactive suggestions for improvement were also raised by both internal and external Directors and Corporate Auditors towards further enhancing the effectiveness of the Board.
Specifically, it was identified that the Board of Directors needed to engage in more in-depth discussions on the Group's overall strategy, improve its monitoring function, and enhance the practical effectiveness of the Nomination Committee.
To address these issues, specific countermeasures were also discussed at the same Board of Directors meeting and have been sequentially put into practice starting from the Board of Directors meetings in the next fiscal year.

Composition of the Board of Directors

The Articles of Incorporation stipulate that the Company's Board of Directors shall be comprised of at least three and no more than 15 Directors, thereby ensuring diversity that leads to the facilitation of active deliberations.
Internal Directors are nominated and appointed to form a well-balanced combination of skills, based on a comprehensive consideration of their experience, performance appraisals, etc., as well as their ability to understand and make sound judgments based on a multifaceted perspective on the management environment and business conditions surrounding the Group.
Outside Directors are nominated with a focus on ensuring their independence and are expected to provide constructive advice and supervision on management from an impartial perspective based on their diverse experience and expertise in different fields, as well as from the perspective of stakeholders.

Skills Matrix

Name	Position	Gender	Skills Required by Our Board of Directors						
			①	②	③	④	⑤	⑥	⑦
Yoshio Murata	President (Representative Director)	♂	●	●		●	●	●	
Kazuhisa Yokoyama	Senior Managing Director (Representative Director)	♂	●		●	●		●	
Atsuhiro Sonoda	Senior Managing Director (Representative Director)	♂			●	●	●	●	
Nobukazu Yagi	Managing Director (Representative Director)	♂		●	●		●	●	
Shunzo Takayama	Managing Director	♂	●	●					
Yuko Utsunomiya	Managing Director	♀	●	●		●			
Koichi Makino	Managing Director	♂	●	●		●			
Masayuki Kiyose	Director	♂		●	●	●			
Akira Goto	Outside Director	♂					●	●	
Keisuke Yokoo	Outside Director	♂			●			●	●
Atsumi Arima	Outside Director	♀			●	●			●
Miyuki Ebisawa	Outside Director	♀	●				●		

① Marketing ② Domestic and overseas business development, real estate development (*"Machi-dukuri"* strategy)
③ Business planning, finance, human resources ④ ESG ⑤ Legal affairs, risk management
⑥ Information technology, digital transformation ⑦ Corporate management experience at other companies

Outside Directors

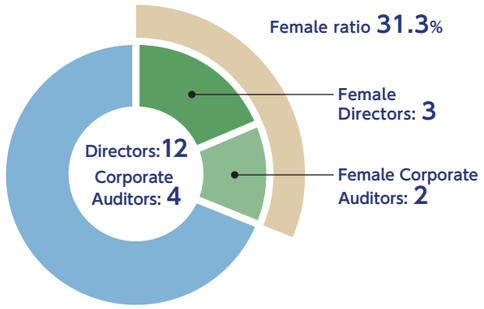
Our Company has established its own criteria for evaluating the independence of Outside Directors.
We have designated all four of our Outside Directors as independent directors, as they meet the criteria and provide constructive advice from a broad perspective, as well as supervising the execution of business.

Status of Outside Directors

Classification	Name	Main Activities
Director	Akira Goto	Mr. Akira Goto attended all 15 meetings of the Board of Directors held during the current fiscal year and commented on the deliberations as appropriate, drawing on his expertise and experience as an academic and his experience as a former member of the Japan Fair Trade Commission.
Director	Keisuke Yokoo	Mr. Keisuke Yokoo attended 14 of the 15 meetings of the Board of Directors held during the current fiscal year and commented on the deliberations as appropriate, drawing on his expertise and experience as a corporate manager.
Director	Atsumi Arima	Ms. Atsumi Arima attended all 15 meetings of the Board of Directors held during the current fiscal year and commented on the deliberations as appropriate, drawing on her expertise and experience in the financial sector.
Director	Miyuki Ebisawa	Ms. Miyuki Ebisawa attended all 15 meetings of the Board of Directors held during the current fiscal year and commented on the deliberations as appropriate, drawing on her expertise and experience as a lawyer.

Female Directors

The Company currently has three female Directors (one internal and two external).
In adding to this the two Corporate Auditors (one internal and one external), the percentage of female Directors exceeds the 30% requirement for companies listed on the Prime Market, but we will continue to encourage the appointment of more female managers with a view toward developing the next generation of Directors.



Director Remuneration

In order to ensure fairness and transparency in the process of determining the remuneration of Directors, the Company has established a "Remuneration Committee" chaired by an Outside Director to act as an advisory body to the Board of Directors. The Committee deliberates on the performance evaluation of each Director and Executive Officer and on the amount of remuneration for each individual based on the Company's remuneration policy.
Director remuneration comprises monthly remuneration and bonuses, with the monthly remuneration consisting of a fixed portion (base remuneration and remuneration for acquiring Company shares) and a variable portion (performance-linked remuneration).

Evaluation Weight of Performance-Linked Remuneration

		Chairman, President	Senior Managing Director		Managing Director (excluding Store Manager)		Store Manager	
Performance evaluation	Consolidated	Consolidated 70%	50%	Consolidated 20%	40%	Consolidated 10%	—	
	Department stores (parent company + subsidiaries)	—		Department stores 30%		Department stores 30%	60%	Department stores 10%
	Responsible store	—	—	—	—	—		Responsible store 50%
Evaluation of priority issues		30%	50%		60%		40%	

List of Directors & Corporate Auditors As of November 30,2024

Yoshio Murata

President
(Representative Director)

Joined the Company in April 1985.
Appointed President (Representative Director), in charge of the Sales Headquarters and the Operational Audit Office in March 2019, to present.

Reason for Appointment:
Following positions including Managing Director (Representative Director) and General Manager – General Affairs Headquarters and Managing Director (Representative Director) and General Manager – Planning Headquarters, Mr. Yoshio Murata has been serving as President (Representative Director) since 2019. In view of his leadership, creativity, conceptual skills, and ability to execute management strategies, the Company has reappointed Mr. Murata as ongoing Director.

Kazuhisa Yokoyama

Senior Managing Director
(Representative Director)

Joined the Company in April 1988.
Appointed Senior Managing Director (Representative Director), General Manager – Sales Headquarters, and General Manager – Life Design Office in May 2023, to present.

Reason for Appointment:
Following positions including Executive Officer and General Manager – Corporate Strategy Division, Senior Executive Officer and Deputy General Manager – Planning Headquarters, and General Manager – Finance Division, Mr. Kazuhisa Yokoyama has contributed to the reinforcement of governance and structural reform of the Group and has been serving as Senior Managing Director (Representative Director) and General Manager – Sales Headquarters since 2023. In view of his extensive experience and knowledge, the Company has reappointed Mr. Yokoyama as ongoing Director.as ongoing Director.

Atsuhiro Sonoda

Senior Managing Director
(Representative Director)

Joined the Company in April 1988.
Appointed Senior Managing Director (Representative Director) and General Manager – Planning Headquarters, responsible for the Takashimaya Archives, in May 2024, to present.

Reason for Appointment:
Having a thorough knowledge of accounting and finance, Mr. Atsuhiro Sonoda has served as the Executive Officer and General Manager – Finance Division and has worked to reinforce the governance of the Group while promoting IR activities based on a financial perspective. He has been serving as the Senior Managing Director (Representative Director) and General Manager – Planning Headquarters since 2024. He is qualified as a certified tax accountant, and in view of his extensive experience and knowledge, the Company has appointed Mr. Sonoda as a new Director.

Nobukazu Yagi

Managing Director
(Representative Director)

Joined the Company in April 1987.
Appointed Managing Director (Representative Director) and General Manager – General Affairs Headquarters and in charge of the Secretarial Office from May 2023, to present.

Reason for Appointment:
Based in New York, Mr. Nobukazu Yagi was engaged in the operational management of the Company's U.S. business operations for 11 years from 1998. Following his return to Japan, he has held positions including General Manager – Corporate Planning Group, General Manager – Asia Business Control Office, Executive Officer and General Manager – Finance Division, Senior Executive Officer and Deputy General Manager – General Affairs Headquarters, and General Manager – Operations Division, during which time he promoted the opening of stores in Asia and cost structure reforms.
He has been serving as Managing Director (Representative Director) and General Manager – General Affairs Headquarters since 2023. In view of his extensive experience and knowledge, the Company has reappointed Mr. Yagi as ongoing Director.

Shunzo Takayama

Managing Director

Joined the Company in April 1983.
Appointed Managing Director, Kansai Representative, and General Manager – Osaka Store, Sales Headquarters in May 2021, to present.

Reason for Appointment:
Following positions including Managing Director and General Manager – Sales Promotion Division, President and Representative Director of Takashimaya Space Create Co., Ltd., Mr. Shunzo Takayama has been serving as Managing Director, Kansai Representative, and General Manager – Osaka Store since 2021. In view of his contributions to the structural reform of our department store business, the Company has reappointed Mr. Takayama as ongoing Director.

Yuko Utsunomiya

Managing Director

Joined the Company in April 1979.
Appointed Managing Director and General Manager – Planning and Advertising Division, Sales Headquarters in March 2023, to present.

Reason for Appointment:
Following positions including Director of Toshin Development Co., Ltd., and its Vice President and Representative Director, Ms. Yuko Utsunomiya has served as Managing Director and Deputy General Manager – Sales Headquarters and General Manager – Merchandising Headquarters since 2022, as well as Managing Director and General Manager – Planning and Advertising Division of the Company since 2023. In view of her extensive management experience and knowledge, the Company has concluded that she will appropriately execute the duties of Director of the Company and has reappointed Ms. Utsunomiya as ongoing Director.

Koichi Makino

Managing Director

Joined the Company in April 1985.
Appointed Managing Director and Deputy General Manager – Sales Headquarters and General Manager – Merchandising Headquarters in May 2024, to present.

Reason for Appointment:
Following positions including Managing Director and General Manager – Sales Headquarters of JR Tokai Takashimaya Co., Ltd., Executive Officer and General Manager – Shinjuku Store, and Senior Executive Officer and Deputy General Manager – Merchandising Headquarters, Mr. Koichi Makino currently serves as Deputy General Manager – Sales Headquarters and General Manager – Merchandising Headquarters, where he is focusing on the promotion of differentiation and strengthening of product lineups, in an effort to broaden the scope of the Company's operating income.
In view of his extensive experience and knowledge, the Company has concluded that he will appropriately execute the duties of Director of the Company and has appointed Mr. Makino as a new Director.

Masayuki Kiyose

Director

Joined Toshin Development Co., Ltd. in March 1992.
Appointed Director of the Company in March 2024, to present.

Reason for Appointment:
Following positions including Director, as well as Vice President and Representative Director of Toshin Development Co., Ltd., Mr. Masayuki Kiyose has served as Managing Director (Representative Director) and General Manager – Planning Headquarters of the Company since 2021, Senior Managing Director (Representative Director) and General Manager – Planning Headquarters since 2023, and Chairman of Toshin Development Co., Ltd. since 2024. In view of his extensive management experience and knowledge, the Company has reappointed Mr. Kiyose as ongoing Director.

Akira Goto

Outside Director

Became Professor of the Faculty of Economics at Seikei University in 1982.
Appointed as Outside Director of Takashimaya Co., Ltd. in May 2014, to present.
Concurrent Positions Held: President, Fair Trade Institute

Reason for Appointment:
In view of Mr. Akira Goto's academic background, expertise, and wealth of experience, as well as his experience as a Commissioner of the Japan Fair Trade Commission, the Company has reappointed Mr. Goto as an ongoing Outside Director.
As in the past, the Company expects Mr. Goto to continue to provide sound guidance and supervision on the Company's management, drawing on his wealth of knowledge as an expert.

Keisuke Yokoo

Outside Director

Joined the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) in April 1974.
Appointed as Outside Director of Takashimaya Co., Ltd. in May 2020, to present.
Concurrent Positions Held: Chairman, Sonar Advisers Inc.; President & CEO, Japan Investment Corporation; Outside Director, Ricoh Co., Ltd.

Reason for Appointment:
In view of Mr. Keisuke Yokoo's extensive experience and high level of knowledge as a corporate manager, the Company has reappointed Mr. Yokoo as an ongoing Outside Director.
As in the past, the Company expects Mr. Yokoo to continue to provide sound guidance and supervision on the Company's management, primarily from a managerial perspective.

Atsumi Arima

Outside Director

Joined the Dai-Ichi Kangyo Bank, Ltd. (currently Mizuho Bank, Ltd.) in April 1986.
Appointed as Outside Director of Takashimaya Co., Ltd. in May 2020, to present.
Concurrent Positions Held: Outside Director, Seibu Holdings Inc.; Outside Director, Culture Entertainment Group Inc.; Outside Director, The Shoko Chukin Bank, Ltd.

Reason for Appointment:
In view of Ms. Atsumi Arima's extensive experience in the field of finance and her in-depth knowledge of social issues that companies should recognize as gained through her studies and initiatives, the Company has reappointed Ms. Arima as an ongoing Outside Director.
As in the past, the Company expects Ms. Arima to continue to provide sound guidance and supervision on the Company's management, primarily from a managerial perspective.

Miyuki Ebisawa

Outside Director

Entered the Ministry of Home Affairs (currently the Ministry of Internal Affairs and Communications) in April 1998.
Registered as an attorney-at-law in January 2017. Appointed as Outside Director of Takashimaya Co., Ltd. in May 2022, to present.
Concurrent Positions Held: Outside Director, Takihyo Co., Ltd.

Reason for Appointment:
At Mimura Komatsu Law Firm, Ms. Miyuki Ebisawa specializes in the practice of Fashion Law, a legal field that focuses on legal issues in the fashion industry, and given her diverse career, the Company has concluded that she will appropriately execute the duties of Outside Director of the Company and has reappointed Ms. Ebisawa as ongoing Outside Director.
The Company expects Ms. Ebisawa to draw on her extensive knowledge as a lawyer to provide guidance and supervision on the Company's management.

Fujie Kataoka

Corporate Auditor
(Full-Time)

Joined the Company in April 1982.
Appointed as Corporate Auditor in May 2020, to present.

Reason for Appointment:
Following positions including General Manager – Operational Audit Office, Deputy General Manager – General Affairs Headquarters, and General Manager – General Affairs Division, Ms. Fujie Kataoka has been serving as Full-Time Corporate Auditor since 2020. In view of her relevant knowledge of corporate management, including finance, accounting, and legal affairs, the Company has concluded that she will appropriately execute the duties of Corporate Auditor of the Company and has reappointed Ms. Kataoka as ongoing Corporate Auditor.

Tsuneaki Okabe

Corporate Auditor
(Full-Time)

Joined the Company in April 1984.
Appointed as Corporate Auditor in May 2023, to present.

Reason for Appointment:
Following positions including Managing Director and General Manager – Sales Promotion Division, Sales Headquarters, General Manager – Planning Headquarters, and General Manager – General Affairs Headquarters, in view that Mr. Tsuneaki Okabe possesses diverse experience and knowledge of the three headquarters of sales, planning, and general administration, the Company has concluded that he will appropriately execute the duties of Corporate Auditor of the Company and has reappointed Mr. Okabe as ongoing Corporate Auditor.

Kunihiko Sugahara

Outside Corporate Auditor

Registered as a Certified Public Accountant in March 1979, appointed as Outside Corporate Auditor of Takashimaya Co., Ltd. in May 2023, to present.
Concurrent Positions Held: Representative of Kunihiko Sugahara, CPA Accounting Office; Outside Director, Sakata Seed Corporation; Auditor for Japan for UNHCR

Reason for Appointment:
In view of his qualifications as a Certified Public Accountant and his sound knowledge of finance and accounting, the Company has concluded that he will appropriately execute the duties of Outside Corporate Auditor of the Company and has reappointed Mr. Sugahara as ongoing Outside Corporate Auditor.

Makiko Terahara

Outside Corporate Auditor

Registered as an attorney-at-law in April 2000, appointed as an Outside Corporate Auditor of Takashimaya Co., Ltd. in May 2023, to present.
Concurrent Positions Held: Outside Director, Advantage Risk Management Co., Ltd.; Outside Director, Japan Fawick Co., Ltd.; Supervisory Director, AEON REIT Investment Corporation; Outside Corporate Auditor, Nissui Corporation; co-managing partner, Tokyo Omotesando Law & Accounting LPC

Reason for Appointment:
Ms. Makiko Terahara is registered as an attorney in Japan and New York and has served as an outside director for multiple companies. In view of her sound knowledge of legal affairs and corporate accounting, the Company has concluded that she will appropriately execute the duties of Outside Corporate Auditor of the Company and has reappointed Ms. Terahara as ongoing Outside Corporate Auditor.

Promotion of Compliance-Based Management

Compliance is the foundation of management and a fundamental CSR requirement that should be prioritized above all else to ensure the sustainable continuity of business operations.
All employees of the Group are engaged in business activities that involve close daily interaction with a wide range of laws and regulations, including the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade, the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors, the Act against Unjustifiable Premiums and Misleading Representations, the Labor Standards Act, the Food Sanitation Act, and the Act on the Protection of Personal Information.
Based on a proper understanding of the laws and regulations that apply to our business, each of us is expected to continually take the initiative to think and act on our own behalf.
Our management and executives will also take the initiative to promote understanding of and compliance with the law.
In addition, we have established our own corporate policies and standards.
These serve as guidelines to ensure compliance with laws and regulations, and adherence to these rules is also an important part of compliance.
The Group is committed to the continuous improvement of its compliance awareness and the updating of its compliance knowledge.
While laws and regulations are formulated based on the wisdom of many people to ensure a fair and proper social order, they are also subject to revision to reflect changes in the times, and legal rulings may also change.
We will continue to promote compliance-based management by establishing the four principles of not engaging in, not instructing others to engage in, not following instructions to engage in, and not overlooking acts that violate compliance.

Compliance Promotion Structure

1	The Takashimaya Group's Management Philosophy is "Putting People First." This Management Philosophy embodies the Takashimaya Group's commitment to "contribute to the creation of a society in which people can continue to thrive by valuing the spirit of believing in people, loving people, and serving people through sincere corporate activities for all people, including customers, employees, business partners, shareholders and investors, local communities, and global society." To this end, we will ensure that all of our Senior Management, Directors, and Executive Officers take the lead in promoting compliance-based management, and we will do our utmost to ensure that our Management Philosophy is fully understood and instilled throughout the Group so that we can share and put into practice these ethical and value-based principles.
2	The Board of Directors will appropriately monitor and supervise the execution of the duties of the Directors to ensure that the business operations of the Company and each Group company as a whole are conducted in an appropriate and sound manner. In order to enhance corporate value over the medium to long term, it is essential that we strengthen corporate governance throughout the Group, and we will strive to establish an effective internal control system. In addition, we will periodically review the status of operations and issues based on the Basic Policy for the Internal Control System.
3	The Group's Corporate Auditors are responsible for reviewing the efficacy and integrity of the internal control system and for verifying the legality of the decision-making process regarding the execution of duties by the Directors, with a view to correcting and preventing illegal acts by the Directors and improving the effectiveness of the monitoring function.
4	Under the guidance of the Takashimaya Group CSR Committee, chaired by the President, we will thoroughly enforce compliance-based management and strengthen our efforts to review and improve the status of internal controls and our CSR initiatives in response to emerging social issues throughout the Group.
5	Under the guidance of the Takashimaya Group Risk Management Committee, chaired by the President, supervisory departments at the Head Office will coordinate with relevant divisions and Group companies to ensure thorough enforcement of compliance-based management with regard to specific issues such as "Fair Trade," "Personal Information," and "Environment."

Compliance Education

The General Affairs Division and Personnel Division will use the Compliance Guidebook and other materials to ensure thorough awareness of compliance based on the Management Philosophy through various channels, including education and training.

- **Compliance Seminar for Newly Appointed Executives** "Responding to Scandals and Risks and Strengthening Group Company Governance" Held in March 2023
- **Takashimaya Group Induction Training** "Compliance Training" Held in April 2023
- **Takashimaya Group Legal Training** "The Basics of Insider Trading Regulations and Practical Precautions" Held in June 2023
- **Compliance Training** FY2023: Fair trade, the Act against Unjustifiable Premiums and Misleading Representations, personal information management, customer harassment, human rights education, and the amended Act on the Elimination of Discrimination against Persons with Disabilities
- **Training for Newly Appointed Managers and Buyers** "Compliance Training" Held in March 2023
- **Copyright Law Seminar** Held in April 2023
- **Mid-Career Hire Induction Training** "Compliance Training" and "Personal Information Management Training" Held in September 2023
- **Newly appointed managers "Compliance Education"** Held in February 2024

Internal Reporting (Whistleblowing) and Consultation System

The Group has established a system for receiving internal reports of misconduct, etc., on a group-wide basis. This system is comprised of the Takashimaya Group Compliance Hotline, Harassment Hotline, Labor Consultation Desk, and Legal Consultation Desk.
The Group guarantees anonymity and ensures that informants will not be subject to any disadvantage. Furthermore, it provides training to all those involved in the reporting system at the Company and each Group company, with the objective of ensuring a swift response to incidents.
Awareness-raising activities are also being conducted with the aim of increasing awareness of the reporting system among all employees of the Company and Group companies. This is intended to encourage increased internal reporting and thus improve the Group's self-remediation capabilities.

List of Takashimaya Group Consultation Services

- Compliance Hotline (Internal/External)
- Harassment Consultation Desk (Internal/External)
- Labor Consultation Desk (Internal)
- LGBTQ Workplace Support Consultation Desk (Internal/External)
- Legal Consultation Desk (Internal)

The Takashimaya Group's Anti-Bribery and Corruption Policy

To uphold our Management Philosophy of "Putting People First," one of our guiding principles is "Activities trusted by the community." To ensure the integrity of our business practices and promote fair and transparent transactions, we have established the "Takashimaya Group Transaction Guidelines," which prohibit any form of corruption, bribery, or the provision or acceptance of improper benefits.
The Group will persist in its efforts to promote management practices that align with our Management Philosophy and Guidelines. In order to meet the expectations of our stakeholders, we will rigorously enforce anti-corruption measures throughout the Group as part of our corporate social responsibility. We will also endeavor to prevent bribery and the provision or acceptance of improper benefits in strict compliance with domestic and international laws and regulations, in alignment with the standards set forth in this Policy.
This Policy sets out and clarifies the Group's basic approach to anti-corruption and applies to all officers and employees of the Group, irrespective of their employment status.
Moreover, the collaboration and understanding of our business partners, who provide support to the Group, are vital to ensuring comprehensive anti-corruption measures. The Group will therefore endeavor to guarantee that all of its business partners also work to prevent corruption in accordance with relevant laws and regulations, as well as this Policy.

1. Prohibition of Bribery and Corruption

The Takashimaya Group adheres to a strict policy of zero tolerance for bribery and corruption in all of its operations, whether direct or indirect, across all countries and regions in which it conducts business.
In this context, corrupt practices are defined as any act of bribery*, extortion of benefits, embezzlement, breach of trust, or other forms of abuse of authority for the purpose of gaining personal benefits.
Furthermore, the Takashimaya Group shall refrain from offering or accepting any form of entertainment, gift, benefit, or other favor from its business partners that is inconsistent with standard business practices or that violates the norms of social conduct.

*Bribery is defined as the act of offering, giving, or promising money or other benefits to a public official or civilian for the purpose of obtaining an improper business advantage. It also encompasses the act of accepting, offering, or soliciting such benefits, offers, or promises.
Furthermore, the definition of bribery encompasses facilitation payments, defined as modest financial transactions made to public officials for the purpose of expediting routine administrative procedures.

2. Compliance with Laws and Regulations

The Takashimaya Group is aware of and adheres to the legal and regulatory frameworks of the countries and regions in which it operates. This encompasses compliance with the Unfair Competition Prevention Act and other relevant domestic legislation and regulations.

3. Establishment of Systems to Prevent Bribery and Corruption

In order to enhance the effectiveness of this Policy, the Takashimaya Group shall duly establish and implement internal regulations, organizational systems, and internal reporting systems. The Group shall also ensure that all its officers and employees are fully aware of this Policy through education and other measures.
Furthermore, any reports of actions or behaviors deemed to violate this Policy or any suspicions of such violations shall be duly accepted and addressed via the Compliance Hotline in accordance with the Internal Reporting System.
Additionally, the status of compliance with this Policy shall be periodically monitored through internal audits and other means, and the Group shall continue to work to improve this Policy and its organizational structure.

Formulated: November 2024

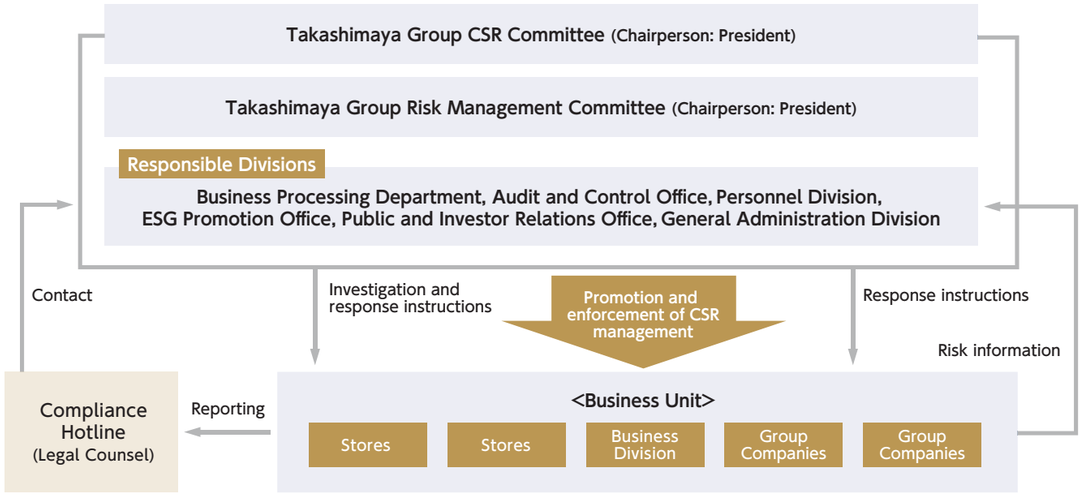
Basic Policy on Risk Management

Risk Management Structure

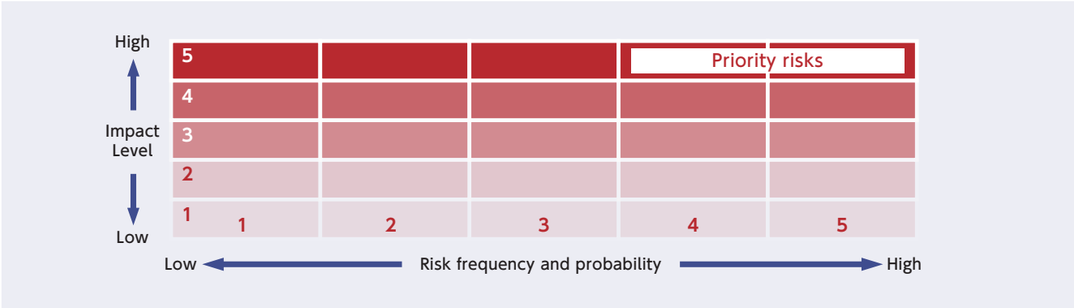
Policies and System for Managing Risk of Loss for the Company and Group Companies

1	The Takashimaya Group Risk Management Committee, chaired by the President, is responsible for the development and implementation of a comprehensive risk management system for the entire Group. The Committee oversees the continuous monitoring and enhancement of the system, ensuring its capacity to respond effectively to emerging risks associated with changes in the business environment. Furthermore, the Committee oversees the management of risks associated with new initiatives across the Group, with a view to achieving an optimal balance between risk and return.
2	The Takashimaya Group Risk Management Committee is responsible for identifying the various risks associated with the execution of the Group's business operations. Additionally, the Committee maintains the Yellow File, which is a comprehensive manual that outlines measures to minimize potential losses in the event of a risk occurring. Concurrently, the Committee will endeavor to reinforce the preventive measures designed to preclude the occurrence of risks and to guarantee comprehensive risk management throughout the organization.
3	The Takashimaya Group CSR Committee recognizes the critical importance of addressing sustainability-related concerns, including global environmental issues, human rights, and the promotion of work style reform, as a core managerial responsibility. In addition to mitigating potential risks, addressing these issues can facilitate the creation of new profit opportunities and enhance corporate value over the medium to long term. The Committee is committed to actively engaging in Group ESG management.
4	In order to eliminate antisocial forces, the Group is developing a system that includes the establishment of a Legal and Risk Management Office in the General Affairs Headquarters. As a unified entity, the Group will reject any unreasonable demands and prevent any damage.

Risk Management Structure



Risk Map



Material Risks

Impact level: ◎=Very high, ○=High

Risk Category and Impact Level	Risks	Opportunities
Changes in social structure ○	・Market contraction due to declining birthrates and aging populations, along with the hollowing out of regional cities ・Difficulty in securing essential human resources due to the decline of the working population	・Promoting effective use of human capital through reskilling
Natural disasters (earthquakes, typhoons, floods, etc.) ○	・Loss of business opportunities due to damage to stores and other business assets ・Loss of business opportunities due to the disruption of transportation and communication networks ・Negative impact on financing due to turmoil in the financial markets	・Contributing to initiatives aimed at ensuring safety and security in the local community
Outbreak of a new pandemic ◎	・Loss of business opportunities due to store closures and/or reduced opening hours ・Decrease in consumer confidence and frequency of visits to stores	・Developing businesses that respond to new social environments and consumer behavior ・Expanding the Group's businesses through diversification of assets and the effective use of management resources
Human rights issues arising in business activities ◎	・Reputational damage due to discriminatory treatment (based on nationality, gender, etc.) during customer service or in media representations ・Reputational damage due to inadequate protection of privacy ・Reputational damage due to human rights issues (unfair labor, discrimination, etc.) in the supply chain, and losses due to boycotts, etc.	・Earning the trust of stakeholders and increasing the number of Takashimaya fans by practicing management that respects human rights
Delay in ESG management initiatives ◎	・Loss of trust from stakeholders ・Damage to brand value, central to Group earnings ・Reputational damage and operating losses due to legal violations	・Establishing the Company's social reputation and significance
Delayed response to digital transformation ○	・Impediments to uncovering new needs and cultivating new customer segments ・Adverse effects on the Group's cost structure ・Information leaks and breaches of security ・Increased IT system maintenance costs	・Improving business efficiency through the steady promotion of digital transformation ・Appealing to customer targets through new information distribution methods
Disruption of the supply chain ○	・Impediments to product procurement and reduced product appeal due to the bankruptcy or closure of business partners' operations, etc. ・Decreased rental income due to tenants' reduced ability to pay rent ・Reduced appeal of sales floor space due to layout failures, etc.	・Improving the appeal of product lineups and securing stable profits by building solid relationships with business partners

The Group's Approach to Information Security

To guarantee the secure handling of information, the Group rigorously monitors the confidentiality and protection of personal data obtained through transactions and other means, preventing its disclosure to third parties. In particular, with respect to the protection of personal information obtained from customers, the Group has established a privacy policy. This policy reflects the recognition that the Group is required to demonstrate a high level of ethical awareness and corporate behavior. In addition to ensuring compliance with the Act on the Protection of Personal Information, we have established rigorous voluntary standards that exceed legal requirements, and we will adhere to these standards.
To steadily promote digital transformation and maximize its impact, the Group will prioritize enhancing the IT literacy of our employees and each of our organizations. From the perspective of information security, we will conduct reviews of our security policies as deemed necessary and implement rigorous system operations aligned with these policies.

Financial Statements

Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2022	FY2023
Assets		
Current assets		
Cash and deposits	90,841	94,752
Notes and accounts receivable - trade, and contract assets	143,477	156,981
Merchandise and finished goods	35,201	35,904
Raw materials and supplies	869	987
Other	31,910	39,953
Allowance for doubtful accounts	(770)	(733)
Total current assets	**301,530**	**327,845**
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	184,336	191,580
Land	419,938	419,852
Leased assets, net	1,625	829
Construction in progress	10,895	9,075
Right-of-use assets, net	76,867	123,628
Other assets	11,854	12,273
Total property, plant and equipment	**705,517**	**757,240**
Intangible assets		
Goodwill	2,394	2,467
Leasehold interests in land	11,125	11,269
Right-of-use assets	6,477	6,566
Other assets	17,086	15,269
Total intangible assets	**37,084**	**35,574**
Investments and other assets		
Investment securities	78,699	101,495
Guarantee deposits	27,075	25,948
Deferred tax assets	23,746	17,062
Other	6,909	7,470
Allowance for doubtful accounts	(2,361)	(2,162)
Total investments and other assets	**134,069**	**149,815**
Total non-current assets	876,670	942,629
Total assets	1,178,201	1,270,475

(Unit: Millions of yen)

	FY2022	FY2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	110,663	124,137
Short-term borrowings	9,660	43,580
Lease liabilities	10,368	8,346
Contract liabilities	96,912	98,646
Gift certificates	43,571	41,868
Deposits received	55,543	66,408
Other liabilities	39,012	34,327
Total current liabilities	**365,731**	**417,315**
Non-current liabilities		
Bonds payable	80,173	80,143
Long-term borrowings	123,750	85,228
Lease liabilities	79,856	128,515
Retirement benefit liability	50,206	39,103
Deferred tax liabilities	11,268	11,318
Other liabilities	30,731	30,049
Total non-current liabilities	**375,987**	**374,357**
Total liabilities	**741,718**	**791,673**

	FY2022	FY2023
Net Assets		
Shareholders' equity		
Share capital	66,025	66,025
Capital surplus	54,790	54,790
Retained earnings	294,129	320,867
Treasury shares	(32,690)	(32,692)
Total shareholders' equity	**382,255**	**408,991**
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,366	11,944
Deferred gains or losses on hedges	(1)	3
Revaluation reserve for land	3,972	3,972
Foreign-currency translation adjustment	19,811	25,050
Remeasurements of defined benefit plans	(1,079)	4,116
Total accumulated other comprehensive income	31,070	45,087
Non-controlling interests	23,155	24,722
Total net assets	436,482	478,802
Total liabilities and net assets	1,178,201	1,270,475

Consolidated Statement of Income

(Unit: Millions of yen)

	FY2022	FY2023
Operating revenue	**443,443**	**466,134**
Net Sales	368,863	385,830
Gross profit	186,601	198,252
Other operating revenue	74,579	80,303
Operating gross profit	**261,180**	**278,555**
Total selling, general, and administrative expenses	228,660	232,618
Operating profit	**32,519**	**45,937**
Total non-operating income	7,700	9,310
Total non-operating expenses	5,699	6,049
Ordinary profit	**34,520**	**49,199**
Total extraordinary income	7,781	194
Total extraordinary losses	7,394	8,840
Profit before income taxes	**34,907**	**40,553**
Total income taxes	6,016	7,539
Net profit	**28,891**	**33,013**
Profit attributable to non-controlling interests	1,052	1,392
Profit attributable to owners of parent	**27,838**	**31,620**

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	FY2022	FY2023
Net profit	**28,891**	**33,013**
Other comprehensive income		
Valuation difference on available-for-sale securities	1,423	3,844
Deferred gains or losses on hedges	(0)	4
Foreign-currency translation adjustment	5,976	3,421
Remeasurements of defined benefit plans	(1,367)	5,189
Share of other comprehensive income of entities accounted for using the equity method	3,254	2,165
Total other comprehensive income	**9,286**	**14,625**
Comprehensive income	**38,177**	**47,638**
(Breakdown)		
Comprehensive income attributable to owners of parent	**36,108**	**45,637**
Comprehensive income attributable to non-controlling interests	**2,069**	**2,001**

Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	FY2022	FY2023
Cash flow from operating activities	**36,497**	**59,536**
Cash flow from investing activities	**(10,707)**	**(38,501)**
Cash flow from financing activities	**(32,428)**	**(20,600)**
Effect of exchange rate change on cash and cash equivalents	6,272	3,832
Net increase (decrease) in cash and cash equivalents	(365)	4,267
Cash and cash equivalents at the beginning of period	88,996	88,631
Cash and cash equivalents at the end of period	**88,631**	**92,898**

Financial Summary (10-Year Data)

(Unit: Millions of Yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Consolidated Profit and Loss Statement										
Total operating revenue	912,523	929,588	923,601	949,572	912,848	919,094	680,899	761,124	881,763	952,168
Operating revenue	—	—	—	—	—	—	—	—	443,443	466,134
Total sales	851,374	865,889	860,761	886,700	846,894	848,494	620,885	695,693	808,534	873,057
Net sales	—	—	—	—	—	—	—	—	368,863	385,830
Total gross profit	214,492	214,878	211,996	218,405	217,403	215,125	149,265	167,713	199,694	213,361
Operating profit	32,022	32,972	34,000	35,318	26,661	25,582	△ 13,496	4,110	32,519	45,937
Ordinary profit	35,904	37,785	37,215	38,606	31,234	23,200	△ 13,637	6,903	34,520	49,199
Profit attributable to owners of parent	22,581	23,829	20,870	23,658	16,443	16,028	△ 33,970	5,360	27,838	31,620
Consolidated Balance Sheet										
Total assets	979,611	974,421	986,464	1,035,807	1,078,130	1,168,503	1,150,506	1,144,335	1,178,201	1,270,475
Total net assets	408,477	407,386	421,890	449,526	461,585	455,871	415,111	420,489	436,482	478,802
Interest-bearing debt	163,518	154,600	155,262	174,262	194,783	193,043	207,154	214,763	213,583	208,951
Consolidated Cash Flow Statement										
Net cash provided by (used in) operating activities	41,018	25,638	42,266	36,870	67,913	40,608	43,720	21,044	36,497	59,536
Net cash provided by (used in) investing activities	△ 116,049	△ 16,081	△ 9,124	△ 62,286	△ 85,815	△ 23,434	△ 27,034	△ 37,120	△ 10,707	△ 38,501
Net cash provided by (used in) financing activities	11,619	△ 19,239	△ 4,228	14,185	17,226	△ 23,483	2,303	△ 4,758	△ 32,428	△ 20,600
Depreciation (included in cost of sales, SG&A expenses and extraordinary losses)	19,344	19,767	19,421	19,058	19,946	31,093	31,142	32,005	33,420	34,216
Capital investments	124,511	26,093	21,929	69,486	98,904	42,487	27,204	34,515	26,607	30,405
Per Share Information										
Earnings per share (yen)	66.29	67.88	59.71	67.69	94.10	93.29	△ 203.74	32.14	169.78	200.47
Net assets per share (yen)	1,131.28	1,141.45	1,179.52	1,256.66	2,540.54	2,607.17	2,364.96	2,390.47	2,620.43	2,878.82
Dividend per share (yen)	10.00	12.00	12.00	12.00	24.00	24.00	24.00	24.00	28.00	37.00
Dividend payout ratio	15.3%	17.7%	20.1%	17.7%	25.5%	25.7%	—	74.7%	15.3%	18.5%
Financial Indicators										
Consolidated gross profit ratio	25.19%	24.82%	24.63%	24.63%	25.67%	25.35%	24.04%	24.11%	24.70%	24.44%
Selling, general and administrative expenses / Total operating revenue	28.6%	28.4%	28.0%	27.7%	30.3%	30.7%	35.9%	32.9%	25.9%	24.4%
Interest-bearing debt / Total assets	16.7%	15.9%	15.7%	16.8%	18.1%	16.5%	18.0%	18.8%	18.1%	16.4%
Debt-to-equity ratio	0.41	0.39	0.38	0.40	0.44	0.44	0.53	0.54	0.52	0.46
Equity ratio	41.0%	40.9%	41.8%	42.4%	41.2%	37.2%	34.3%	34.8%	35.1%	35.7%
Return on equity ratio (ROE)	5.9%	6.0%	5.1%	5.6%	3.7%	3.6%	△ 8.2%	1.4%	6.9%	7.3%
Dividend on equity (DOE)	0.9%	1.1%	1.0%	1.0%	0.9%	0.9%	1.0%	1.0%	1.1%	1.3%
EBITDA-to-total-assets ratio	5.5%	5.4%	5.4%	5.4%	4.4%	4.1%	0.8%	2.3%	4.8%	5.6%
Return on invested capital (ROIC)	5.5%	5.4%	5.4%	5.4%	4.0%	3.2%	—	1.3%	4.4%	5.5%

*We apply the Accounting Standard for Revenue Recognition,etc. from FY2022.
*Total operating revenue, total sales, and total gross profit on sales revenue are calculated using the previous standards that were in place prior to the application of the Accounting Standard for Revenue Recognition, etc.
*The Company implemented a 1-for-2 reverse split of its common stock as of September 1, 2018. The per-share information for FY2018 is listed in the amounts after the reverse stock split.

Environment-Related Data

Environmental Policy	Yes	https://www.takashimaya.co.jp/corp/csr/environment/policy.html
Climate Change Policy	Yes	Included in the "Takashimaya Group Environmental Policy" and the "Takashimaya Group Transaction Guidelines" https://www.takashimaya.co.jp/corp/csr/environment/policy.html https://www.takashimaya.co.jp/base/corp/csr/pdf/shishin.pdf
Waste Policy	Yes	Included in the "Takashimaya Group Environmental Policy" and the "Takashimaya Group Transaction Guidelines" https://www.takashimaya.co.jp/corp/csr/environment/policy.html https://www.takashimaya.co.jp/base/corp/csr/pdf/shishin.pdf

*The starting date of computation differs depending on the data item.

Energy consumption

	Scope		2019	2020	2021	2022	2023
City gas	Consolidated	Amount used (GJ)	489,598	413,103	405,014	397,514	411,457
Hot water/cold water	Consolidated	Amount used (GJ)	347,941	307,929	362,247	402,344	304,705
Steam	Consolidated	Amount used (GJ)	61,891	61,580	43,536	49,588	31,481
Electrical power	Consolidated	Amount used (MWh)	392,824	351,972	357,454	359,793	357,026
Electrical power	Consolidated	Amount used (GJ)	3,869,825	3,417,780	3,563,821	3,587,133	3,559,547
Total	Consolidated	Amount used (GJ)	4,769,255	4,254,392	4,374,618	4,436,580	4,307,190
Renewable energy-derived electricity in terms of electricity usage	Consolidated	Amount used (MWh)	0	1,373	12,802	16,854	16,496

Greenhouse gas emissions

	Scope		2019	2020	2021	2022	2023
CO_2	Consolidated	Scope 1 emissions (t)	24,953	21,055	20,197	19,910	18,905*1
		Scope 2 emissions (t) <calculated based on market standards>	205,563	178,090	183,301	179,377	187,350*1
		Scope 1+2 emissions (t)	230,516	199,145	203,497	199,286	206,255*1
	Domestic department stores	Scope 3 emissions (t)	3,382,417	2,495,547	2,772,244	4,264,039	3,442,335
Fluorocarbon emissions*2	Domestic department stores and shopping centers	t-CO2	1,552	1,609	1,580	967	1,119

*1 Preliminary figures (third-party verification is being obtained)
*2 Fluorocarbon leakage from freezers and refrigerators used in stores is converted into CO2 in accordance with the Fluorocarbon Emissions Control Act.

Scope 3 Emissions by Category, FY2023

Category	Emissions (t)		
1. Purchased goods and services	2,923,996	8. Upstream leased assets	–
2. Capital goods	74,499	9. Downstream transportation and distribution	327,202
3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	24,427	10. Processing of sold products	–
4. Upstream transportation and distribution	27,456	11. Use of sold products	51,783
5. Waste generated in operations	3,088	12. End-of-life treatment of sold products	6,969
6. Business travel	522	13. Downstream leased assets	–
7. Employee commuting	2,394	14. Franchises	–
		15. Investments	–

Water

	Scope		2019	2020	2021	2022	2023
Water resource consumption	Consolidated	1,000 m³	2,718	2,362	2,227	2,319	2,681
Drainage volume	Consolidated	1,000 m³	2,442	2,109	2,002	2,193	2,427

Resources and Waste

	Scope		2019	2020	2021	2022	2023
Container and packaging usage*3	Consolidated (excluding overseas)	Volume used (t)	3,459	2,020	2,125	2,088	2,073
Waste	Domestic department stores and shopping centers	Volume generated (t)	25,062	17,645	18,646	18,936	20,680
		Volume recycled (t)	16,406	11,404	12,749	12,647	14,287
		Final disposal volume (t)	8,655	6,240	5,897	6,290	6,393
		Recycling rate (%)	65.5	64.6	68.4	66.8	69.1
Raw garbage (food waste)*4	Domestic department stores and shopping centers	Volume generated (t)	4,712	3,128	4,068	4,185	4,618
		Volume recycled (t)	3,322	2,141	2,863	2,806	3,090
Plastic waste*5	Domestic department stores and shopping centers	Final disposal volume (t)	1,390	987	1,205	1,378	1,528
		Recycling rate (%)	70.5	68.5	70.4	67.1	66.9
		Volume generated (t)	1,945	1,857	1,756	1,845	1,933
		Volume recycled (t)	1,881	1,785	1,713	1,801	1,884
		Final disposal volume (t)	64	73	43	44	49
		Recycling rate (%)	96.7	96.1	97.6	97.6	97.4

*3 The volume of containers and packaging used is based on the figures reported by specified business operators under the Containers and Packaging Recycling Act.
*4, *5 The figures for raw garbage and plastic waste are a breakdown of the total waste figure and include raw garbage, kitchen waste, fish scraps, used cooking oil, etc., and refer mainly to the figures for plastic waste that is disposed of as industrial waste.

Society-Related Data

Human Rights Policy	Yes	Takashimaya Human Rights Commitment https://www.takashimaya.co.jp/corp/csr/search/policy/jinken.html
Child Labor Prevention Policy	Yes	Included in the "Takashimaya Group Transaction Guidelines" https://www.takashimaya.co.jp/base/corp/csr/pdf/shishin.pdf
Forced Labor Prevention Policy	Yes	Included in the "Takashimaya Group Transaction Guidelines" https://www.takashimaya.co.jp/base/corp/csr/pdf/shishin.pdf
Non-Discrimination Policy	Yes	Takashimaya Human Rights Commitment https://www.takashimaya.co.jp/corp/csr/search/policy/jinken.html Policy on promoting diversity https://www.takashimaya.co.jp/corp/csr/contribution/diversity.html
Collective Bargaining Rights Policy	Yes	Included in the company policies, "Collective Labor Agreement"

*The scope of the domestic group includes domestic consolidated companies and Takashimaya Transcosmos IC Japan, which is not a consolidated company but which is under the control of the group in terms of HR system management.

	Scope		2019	2020	2021	2022	2023
Number of employees (permanent and regionally limited permanent employees)*1	Consolidated	Female (persons)	4,156	4,000	3,810	3,862	3,758
		Male (persons)	3,669	3,550	3,413	3,035	2,975
		Total (persons)	7,825	7,550	7,223	6,897	6,733
	Takashimaya	Female (persons)	2,628	2,550	2,412	2,247	2,151
		Male (persons)	2,003	1,928	1,886	1,765	1,675
		Total (persons)	4,631	4,478	4,298	4,012	3,826
Average number of temporary employees*2	Consolidated	(persons)	5,794	5,236	4,694	4,352	4,035
	Takashimaya	(persons)	3,959	3,655	3,404	3,198	3,019
Average length of service (permanent employees)	Domestic Group	Female (年)	—	—	—	—	23.2
		Male (年)	—	—	—	—	21.2
		Total (年)	—	—	—	—	22.3
	Takashimaya	Female (年)	24.9	25.2	25.9	26.3	26.7
		Male (年)	22.3	22.7	22.9	23.5	23.9
		Total (年)	23.8	24.1	24.6	25.1	25.4

*1 As of the end of each fiscal year (end of February)
*2 Average annual number of temporary employees (excluding part-time workers)

	Scope		2019	2020	2021	2022	2023
Average age (permanent employees)	Domestic Group	Female (years old)	—	—	—	—	47.6
		Male (years old)	—	—	—	—	48.0
		Total (years old)	—	—	—	—	47.8
	Takashimaya	Female (years old)	47.0	47.4	48.1	48.6	49.1
		Male (years old)	47.1	47.4	48.0	48.7	49.1
		Total (years old)	47.0	47.4	48.1	48.6	49.1
Number of new graduates hired	Domestic Group	Female (persons)	—	52	30	19	38
		Male (persons)	—	43	33	17	30
		Total (persons)	—	95	63	36	68
	Takashimaya	Female (persons)	51	37	13	8	16
		Male (persons)	31	29	14	8	12
		Total (persons)	82	66	27	16	28
Ratio of female new graduates hired	Domestic Group	(%)	—	53.8	47.6	52.8	55.9
	Takashimaya	(%)	62.2	56.1	48.1	50.0	57.1
Number of mid-career hires*3	Domestic Group	Female (persons)	—	39	45	41	67
		Male (persons)	—	21	44	48	80
		Total (persons)	—	60	89	89	147
	Takashimaya	Female (persons)	12	7	5	9	17
		Male (persons)	9	0	0	0	8
		Total (persons)	21	7	5	9	25
Ratio of mid-career hires	Domestic Group	(%)	—	38.7	58.6	71.2	68.4
	Takashimaya	(%)	20.4	9.6	15.6	36.0	47.2

*3 Number of permanent employees hired other than new graduates.
Includes hires who were converted from non-permanent to permanent employment (priority)

	Scope		2019	2020	2021	2022	2023
Number of non-Japanese employees*4	Domestic Group	(persons)	508	376	338	346	370
	Takashimaya	(persons)	61	47	43	37	30
Ratio of female managers	Domestic Group	(%)	—	29.3	28.4	27.8	28.6
	Takashimaya	(%)	32.4	31.2	29.7	29.0	30.4
Rate of employment of persons with disabilities*5	Domestic Group	(%)	2.09	2.11	2.20	2.14	2.23
	Takashimaya	(%)	2.13	2.15	2.25	2.31	2.33
Employee turnover rate*6	Domestic Group	(%)	2.4	2.5	3.4	2.9	3.0
	Takashimaya	(%)	1.6	1.6	2.1	2.0	1.9
Number of employees taking childcare leave	Domestic Group	(persons)	—	—	—	—	112
	Takashimaya*7	(persons)	156	126	136	114	73
Rate of return after childcare leave	Domestic Group	(%)	—	—	—	—	96.4
	Takashimaya*7	(%)	—	—	89.7	86.1	96.3
Rate of male employees taking childcare leave	Domestic Group	(%)	—	—	—	—	125.0*8
	Takashimaya	(%)	33.3	100.0	100.0	100.0	135.5*8
Number of employees working reduced hours for childcare or family care	Domestic Group	Female (persons)	—	—	—	—	495
		Male (persons)	—	—	—	—	8
		Total (persons)	—	—	—	—	503
	Takashimaya*7	Female (persons)	456	453	488	465	412
		Male (persons)	4	4	9	5	8
		Total (persons)	460	457	497	470	420

*4 Number of employees as of the end of February each fiscal year + average number of temporary employees (including exchange students and part-time workers)
*5 As of June 1 each year. Applies to companies with 43.5 or more employees (45.5 or more in 2019)
*6 Number of employees who resigned during the fiscal year / Number of employees as of the end of the previous fiscal year x 100 (excluding resignations due to mandatory retirement age, transfer, or appointment as an executive)
*7 Until 2022, Takashimaya Co., Ltd. included its three subsidiaries in Okayama, Takasaki, and Gifu.
*8 Starting from FY2023, the calculation method has been revised to "Individuals who began childcare leave during the fiscal year / individuals whose spouse gave birth during the fiscal year."

	Scope		2019	2020	2021	2022	2023
Gender wage gap*9	Domestic Group	All employees (%)	—	—	—	—	57.6
		Of which, permanent employees (%)	—	—	—	—	59.6
		Of which, non-permanent employees (%)	—	—	—	—	82.2
	Takashimaya	All employees (%)	—	—	—	55.7	56.7
		Of which, permanent employees (%)	—	—	—	58.7	59.2
		Of which, non-permanent employees (%)	—	—	—	54.5	55.0
Training hours Total number of participants*10	Takashimaya	(hours)	—	—	—	26,225	27,818
		(number of persons)	4,447	4,526	5,339	4,107	3,987
Universal-related qualification acquisition rate*11	Takashimaya	(%)	—	—	—	13.6	14.3

*9 The domestic group consists of companies with 101 or more employees, as disclosed in the Financial Statements.
Regular employment includes employees with open-ended contracts.
*10 Takashimaya Co., Ltd. includes its three subsidiaries in Okayama, Gifu, and Takasaki.
Total training hours and number of participants in in-house training, external training, e-learning, correspondence courses, etc.
*11 Percentage of employees at Takashimaya Co., Ltd. and its three subsidiaries who have universal qualifications related to services for the disabled and elderly, such as Care Fitter, Certified Care Worker, and Universal Manners Certification, as well as foreign language qualifications for communicating with foreigners, such as the EIKEN Test

	Scope		2019	2020	2021	2022	2023
Number of occupational accidents	Domestic Group	(cases)	—	—	—	—	226
	Takashimaya	(cases)	151	103	122	130	134
Total annual working hours	Takashimaya	(hours)	1,814	1,633	1,695	1,790	1,774
Paid leave acquisition rate	Domestic Group	(%)	69.6	50.8*12	61.1	71.6	75.9
	Takashimaya	(%)	75.2	53.7*12	62.5	69.1	78.9
Stress Check survey response rate	Consolidated	(%)	98.4	98.4	98.5	99.0	98.4
Engagement Survey score*13	Consolidated	(deviation score)	—	—	—	—	51.1
Number of days of volunteer leave acquired	Takashimaya	(days)	95	101	111	67	116
Union membership ratio (percentage of employees covered by the Collective Labor Agreement)*14	Domestic Group	(%)	—	—	—	—	84.0
	Takashimaya	(%)	82.5	85.2	89.5	83.1	83.8

*12 In FY2020, the acquisition rate declined due to temporary store closures caused by the COVID-19 outbreak.
*13 The deviation score of the "work engagement score" in the Group's Employee Engagement Survey (calculated by a research firm).
*14 Total by company within domestic Group companies

Governance-Related Data

Basic Policy on the Establishment of an "Internal Control System"	Yes	https://www.takashimaya.co.jp/corp/ir/management/compliance.html
Whistleblower Protection Policy	Yes	Included in the Company's internal policies, "Internal Rules Related to Whistleblowing"
Fair Trade Guidelines	Yes	Included in the "Transaction Guidelines" https://www.takashimaya.co.jp/base/corp/csr/pdf/torihiki.pdf

	Scope		2020 FY ending February	2021 FY ending February	2022 FY ending February	2023 FY ending February	2024 2FY ending February
Number of directors	Takashimaya	Female (persons)	3	3	3	3	3
		Male (persons)	9	9	9	9	9
		Total (persons)	12	12	12	12	12
Number of independent outside directors among directors	Takashimaya	Female (persons)	2	2	2	2	2
		Male (persons)	2	2	2	2	2
		Total (persons)	4	4	4	4	4
Ratio of independent outside directors	Takashimaya	(%)	33.3	33.3	33.3	33.3	33.3
Ratio of female directors	Takashimaya	(%)	25.0	25.0	25.0	25.0	25.0
Number of Board of Directors meetings held	Takashimaya	(times)	14	15	14	15	15
Attendance rate of directors at meetings	Takashimaya	(%)	100.0	98.9	100.0	100.0	99.4
Number of members of the Nomination Committee	Takashimaya	In-house (persons)	5	5	5	5	5
		Independent external (persons)	3	3	3	3	3
		Total (persons)	8	8	8	8	8
Number of members of the Remuneration Committee	Takashimaya	In-house (persons)	5	5	5	5	5
		Independent external (persons)	2	2	2	2	2
		Total (persons)	7	7	7	7	7
Number of Nomination Committee meetings held	Takashimaya	(times)	1	1	1	2	2
Number of Remuneration Committee meetings held	Takashimaya	(times)	3	3	3	3	4

	Scope		2020 FY ending February	2021 FY ending February	2022 FY ending February	2023 FY ending February	2024 FY ending February
Number of auditors	Takashimaya	Female (persons)	1	1	1	2	2
		Male (persons)	3	3	3	2	2
		Total (persons)	4	4	4	4	4
Number of independent outside auditors among auditors	Takashimaya	Female (persons)	0	0	0	1	1
		Male (persons)	2	2	2	1	1
		Total (persons)	2	2	2	2	2
Ratio of independent outside auditors	Takashimaya	(%)	50.0	50.0	50.0	50.0	50.0
Ratio of female auditors	Takashimaya	(%)	25.0	25.0	25.0	50.0	50.0
Number of Board of Auditors meetings held	Takashimaya	(times)	11	11	12	12	14
Attendance rate of all auditors at meetings	Takashimaya	(%)	100.0	100.0	100.0	100.0	100.0

	Scope		2020 FY ending February	2021 FY ending February	2022 FY ending February	2023 FY ending February	2024 FY ending February
Director remuneration (excluding outside directors)	Takashimaya	Basic remuneration (millions of yen)	324	240	210	209	210
		Performance-linked remuneration (millions of yen)	0	66	44	53	79
		Bonus (millions of yen)	41	0	0	48	96
		Total (millions of yen)	365	306	255	310	386
Auditor remuneration (excluding outside auditors)	Takashimaya	Basic remuneration (millions of yen)	44	45	44	45	47
		Performance-linked remuneration (millions of yen)	0	0	0	0	0
		Total (millions of yen)	44	45	44	45	47
Outside director remuneration	Takashimaya	Basic remuneration (millions of yen)	47	56	56	57	58
		Performance-linked remuneration (millions of yen)	0	0	0	0	0
		Total (millions of yen)	47	56	56	57	58
Accounting auditor remuneration	Takashimaya	(millions of yen)	174	193	171	172	197
Number of legal violations	Consolidated	(cases)	1	0	0	0	0
Penalties for legal violations	Consolidated	(万円)	0	0	0	0	0
Number of reports to internal reporting hotline*	Consolidated	(cases)	156	104	98	126	133

*Consolidated number of reports made to the Compliance Hotline, Harassment Consultation Desk, Employment Consultation Desk, and Labour Union Desk
Until the end of the fiscal year ending February 2021, the standalone number of reports made to the Compliance Hotline is recorded.

Company Profile

Trade Name: Takashimaya Company, Limited
Representative: Yoshio Murata, President and Representative Director
Head Office: 5-1-5, Namba, Chuo-ku, Osaka 542-8510, Japan
Date of Establishment: January 10, 1831
Date of Incorporation: August 20, 1919
Date of Settlement of Accounts: End of February
Capital: 66,025 million yen *As of the end of February 2024
Business Description: Department stores, corporate businesses, mail-order services, group operations

Commercial Facilities: 22 Group commercial facilities (consolidated), including 17 department store sections
*As of the end of August 2024

【Domestic】
17 Group commercial facilities,
including 13 department store sections

Shopping centers
(department stores and specialty stores integrated)
- Nihombashi Takashimaya S.C.
- Takashimaya Times Square (Shinjuku)
- Kyoto Takashimaya S.C.
- Tamagawa Takashimaya S·C
- Kashiwa Takashimaya Station Mall

Department stores
- Osaka store
- Yokohama store
- Omiya store
- Semboku store
- Sakai store
- Rakusai store
- Okayama Takashimaya Co., Ltd.
- Takasaki Takashimaya Co., Ltd.

Shopping centers
(independently operated by Toshin Development)
- Tachikawa Takashimaya S.C.
- Nagareyama Otakanomori S·C
- Hakata Riverain Mall
- Wakaba Keyaki Mall (Tachikawa)

【Overseas】
5 Group commercial facilities,
including 4 department store sections

Shopping centers
(department stores and specialty stores integrated)
- Singapore Takashimaya S.C.
- Saigon Centre / Ho Chi Minh City Takashimaya (Vietnam)

Department stores (standalone department stores)
- Shanghai Takashimaya
- Siam Takashimaya (Bangkok, Thailand)

Shopping centers
(independently operated by Toshin Development)
- Indochina Plaza Hanoi (Hanoi, Vietnam)

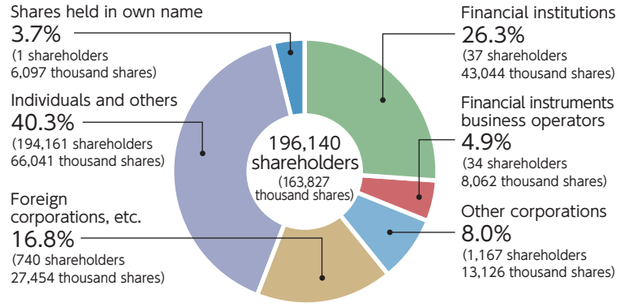
Equity method affiliates:
- JR Tokai Takashimaya Co., Ltd.
- Iyotetsu Takashimaya Co., Ltd.

Trademark license agreement companies:
- JU Yonago Takashimaya Co., Ltd.
- Dayeh Takashimaya Department Store Co., Ltd.

●Number of Shares and Shareholders
(as of the end of August 2024)

Total number of authorized shares	300,000,000 shares
Total number of shares issued	163,827,608 shares
Number of shareholders	196,140 shareholders

●Share Distribution by Owner (as of the end of August 2024)

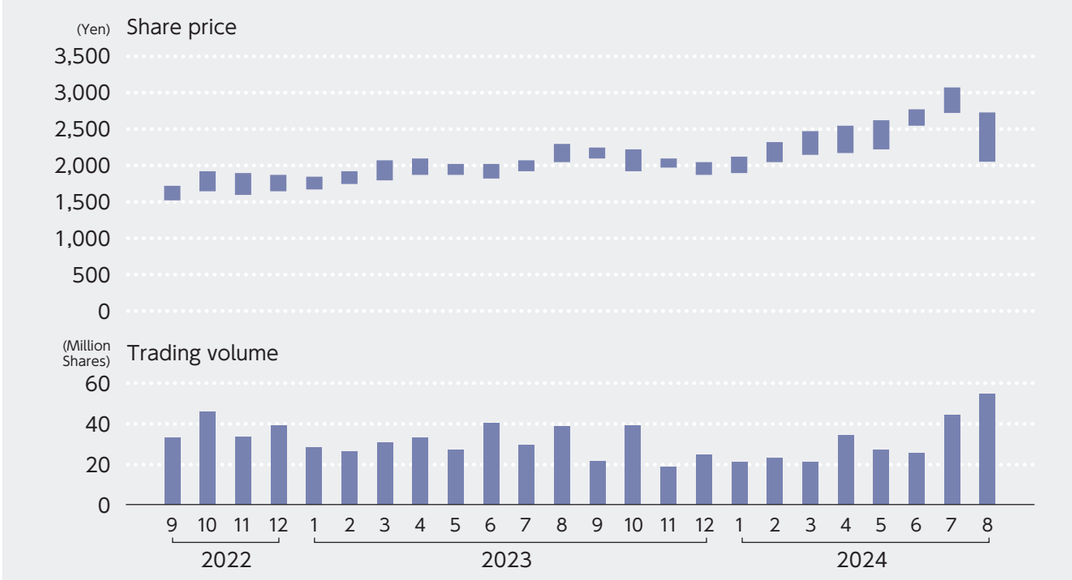


●Major Shareholders (as of the end of August 2024)

Shareholder name	Number of shares held (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	23,408	14.8
Custody Bank of Japan, Ltd. (Trust Account)	8,712	5.5
Nippon Life Insurance Company	4,961	3.1
Takashimaya Kyoeikai Association	3,313	2.1
SMBC Nikko Securities Inc.	2,512	1.6
Sotetsu Holdings Inc.	2,402	1.5
JPMorgan Securities Japan Co., Ltd.	1,869	1.2
STATE STREET BANK WEST CLIENT-TREATY 505234	1,815	1.2
Credit Saison Co., Ltd.	1,654	1.0
STATE STREET BANK AND TRUST COMPANY 505223	1,499	1.0

*The shareholding ratio is calculated after deducting treasury stock (6,097,000 shares).

●Share Prices (High and Low) and Trading Volume (as of the end of August 2024)



*Share prices are those prior to stock split.

Takashimaya