



FY2023 (March 1, 2023 to February 29, 2024)

Overview of Dialogue with Shareholders

1. Status of Dialogue
2. Main Themes of Dialogue and Matters of Interest to Shareholders
3. Feedback to Senior Management on the Content of Dialogue
4. Response Based on Dialogue [Examples of Issues Adopted]

Takashimaya Company, Limited
April 26, 2024

1. Status of Dialogue (FY2023)

- ✓ We held dialogues 181 times during the year, and have progressively expanded overseas IR and other activities that could not be conducted during the COVID-19 pandemic
- ✓ For individual interviews, we grew the number and share of dialogue with overseas institutional investors, thanks partly to the results of our overseas IR activities

	Number of times	Dialogue partners (attributes)	Participants from Takashimaya			
			President	Director	Executive Officer	IR/Finance Representative
Q2, Q4 financial results briefings	2	Analysts, fund managers	○	○	○	—
Q1, Q3 financial results briefings	2			○	○	—
Small meetings	10		○	○	○	—
Overseas IR meetings	27	Overseas institutional investors	○	—	○	—
Business briefings (Kyoto Takashimaya Shopping Center)	1	Analysts, fund managers	—	—	○	—
Individual interviews	139	Analysts, institutional investors in Japan and overseas	—	—	—	○
Total	181	This represents the number of times dialogue was held, regardless of the number of participants.				

Note: Overseas IR meetings include 9 in Singapore, 8 in the US, 6 in the UK, 3 in Germany, and 1 in Switzerland.

Details of individual interviews	FY2019		FY2022		FY2023	
	Times	Share %	Times	Share %	Times	Share %
Securities companies	14	17%	21	19%	26	19%
Institutional investors in Japan	36	44%	41	37%	45	32%
Institutional investors overseas	32	39%	49	44%	68	49%
Total	81	—	111	—	139	—

2. Main Themes of Dialogue and Matters of Interest to Shareholders (FY2023)

○Department Stores in Japan

[Net sales]

- Net sales by domestic customer type (VIP customers and others); trends in inbound sales and outlook
- Sustainability of growth in high-ticket items and fashion-related products such as men's clothing, women's clothing, and cosmetics

[Gross margin ratio]

- Initiatives to expand net sales of fashion-related products with a high gross margin ratio and measures to increase net sales of retail priced products with high profit margins in each product category

[Selling, general and administrative expenses]

- Views on cost control, including human capital investments and the appropriate allocation of resources related to making the department stores more profitable

○Group companies

[Domestic Group companies]

- Initiatives to achieve sustainable growth in commercial property development and drive up profit in the Finance business

[Overseas Group companies]

- Growth potential of Singapore and future contribution to profit in development projects in Vietnam

○Finance strategy

- Management method for return on growth investment

○Shareholder returns

- Policy on shareholder returns in the performance improvement phase

3. Feedback to Senior Management on the Content of Dialogue (FY2023)

- ✓ Information on the status of dialogue and matters of interest to shareholders was reported to and shared with senior management through forums such as management meetings
- ✓ Management direction was discussed based on the matters of interest to shareholders

○Board of Directors meetings

- Annual IR activities report (implemented in February 2024)
- The Board of Directors confirmed the issues for FY2023 and policies to address them in FY2024

○Review of the main points and contents of financial results briefings

- Review was conducted prior to the announcement of full- and half-year results in April and October, respectively
- Contents to be reported at financial results briefings were reviewed based on dialogue with shareholders

○ Reporting on overseas IR meetings

- Reports were made whenever overseas IR meetings were held
- The opinions and interests of overseas investors from Southeast Asia, Europe, the US and elsewhere were shared

4. Response Based on Dialogue [Examples of Issues Adopted] (FY2023)

- ✓ Views on matters such as growth investment and shareholder returns were communicated at financial results briefings and other occasions

○Views on growth investment

- Disclosed the Group's views on the allocation of operating cash flow (Oct. 2023)
- Introduced ROIC for each business as profitability indicators (Oct. 2023)

○Views on shareholder returns

- Stable dividends based on net assets, targeting a DOE of 1.2% (Oct. 2023)
- Set a dividend standard of approximately 8.5% of EBITDA or 10% of operating cash flow (Oct. 2023)
- Comprehensive judgments regarding the use of excess free cash flow, based on capital investment, debt reduction, and shareholder returns (Oct. 2023)

○Approach to achieving a price-to-book ratio (PBR) greater than 1.0

- Achieve both sustainable growth in EPS and higher PER by enhancing dialogue with investors (Apr. and Oct. 2023)