

# Information for Investors

(January 1, 2010 - December 31, 2010)

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February 18, 2011

Otsuka Kagu, Ltd.

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# FY 2010 Results

(January 1, 2010 - December 31, 2010)

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# 1. FY 2010 results

(millions of yen,%)

	2009	2010	Y/Y	Y/YE
Net sales	57,925	56,912	(1.7)	(3.6)
Gross profit	30,605	31,064	1.5	(3.4)
%sales	52.8	54.6		
Operating loss	(1,451)	(132)	—	—
%sales	(2.5)	(0.2)		
Ordinary income (loss)	(1,337)	38	—	(86.6)
%sales	(2.3)	0.1		
Net loss	(1,490)	(255)	—	—
%sales	(2.6)	(0.4)		

\* Forecasts (YE) as of Aug,8,2010

## 2. Breakdown of net sales

(millions of yen,%)

	2009	number of stores	2010	number of stores	Y/Y	Y/YE
Kanto	36,708	10	35,349	9	(3.7)	(4.4)
Kansai	11,794	4	12,147	4	3.0	0.8
Tokai	3,991	2	3,895	2	(2.4)	(0.9)
Others	4,217	2	4,294	2	1.8	(6.7)
Store sales total	56,711	18	55,687	17	(1.8)	(3.3)
%sales	97.9		97.9			
Corporate sales	1,135		1,146		1.0	(17.5)
%sales	2.0		2.0			
Others	77		77		0.1	(0.1)
%sales	0.1		0.1			
Total	57,925		56,912		(1.7)	(3.6)
%sales	100.0		100.0			

\*forecasts (YE) as of Aug.8,2010

\*number of stores as of Dec.31

\*store area basis changed from this time

\*ref. p.5 for store information

### 3. SG&A expenses

(millions of yen,%)

	2009	%sales	2010	%sales	Y/Y	Y/YE
Transportation	1,616	2.8	1,636	2.9	1.2	(2.6)
Advertising	3,890	6.7	3,524	6.2	(9.4)	(9.0)
Personnel	10,514	18.2	10,243	18.0	(2.6)	(1.1)
Rents (including Administrative expenses)	11,968	20.7	11,743	20.6	(1.9)	(0.7)
Others	4,068	7.0	4,049	7.1	(0.5)	(5.1)
<b>Total</b>	<b>32,057</b>	<b>55.3</b>	<b>31,197</b>	<b>54.8</b>	<b>(2.7)</b>	<b>(2.5)</b>

\* Forecasts (YE) as of Aug,8,2010

## 4. Non-operating income and expenses

(millions of yen, %)

	2009	2010	Y/Y
Income	142	183	28.8
Interest and dividend	92	83	(10.1)
Others	50	100	100.5
Expenses	27	12	(56.1)

— FY 2010 —

Extraordinary gain :	Gain on sales of noncurrent assets, etc.	59	million yen
Extraordinary loss :	Impairment loss ▪ Loss on closing of stores	229	million yen
	Loss on valuation of goods	24	million yen
	Loss on valuation of investment securities, etc.	11	million yen

## 5. Investment and depreciation

(millions of yen)

	2009		2010	
Capital expenditure	418		354	
	Sendai SR	85	Ginza SR	311
	Kobe SR	27	Store facilities, etc.	23
	Store facilities, etc.	128	System renewal	19
	System renewal	84		
	Others	92		
Security deposit	(189)		(28)	
	Sendai SR	288	Ginza SR	672
	Kobe SR	40	Tachikawa SR	50
	Kokura SR	(317)	Makuhari SR	(460)
	Osaka Nanko SR	(114)	Ariake Head Office SR	(244)
	Koriyama SR	(102)	PF Nihombashi	(50)
	Others	15	Others	4
Total	228		326	
Depreciation	275		241	

\* SR=showroom

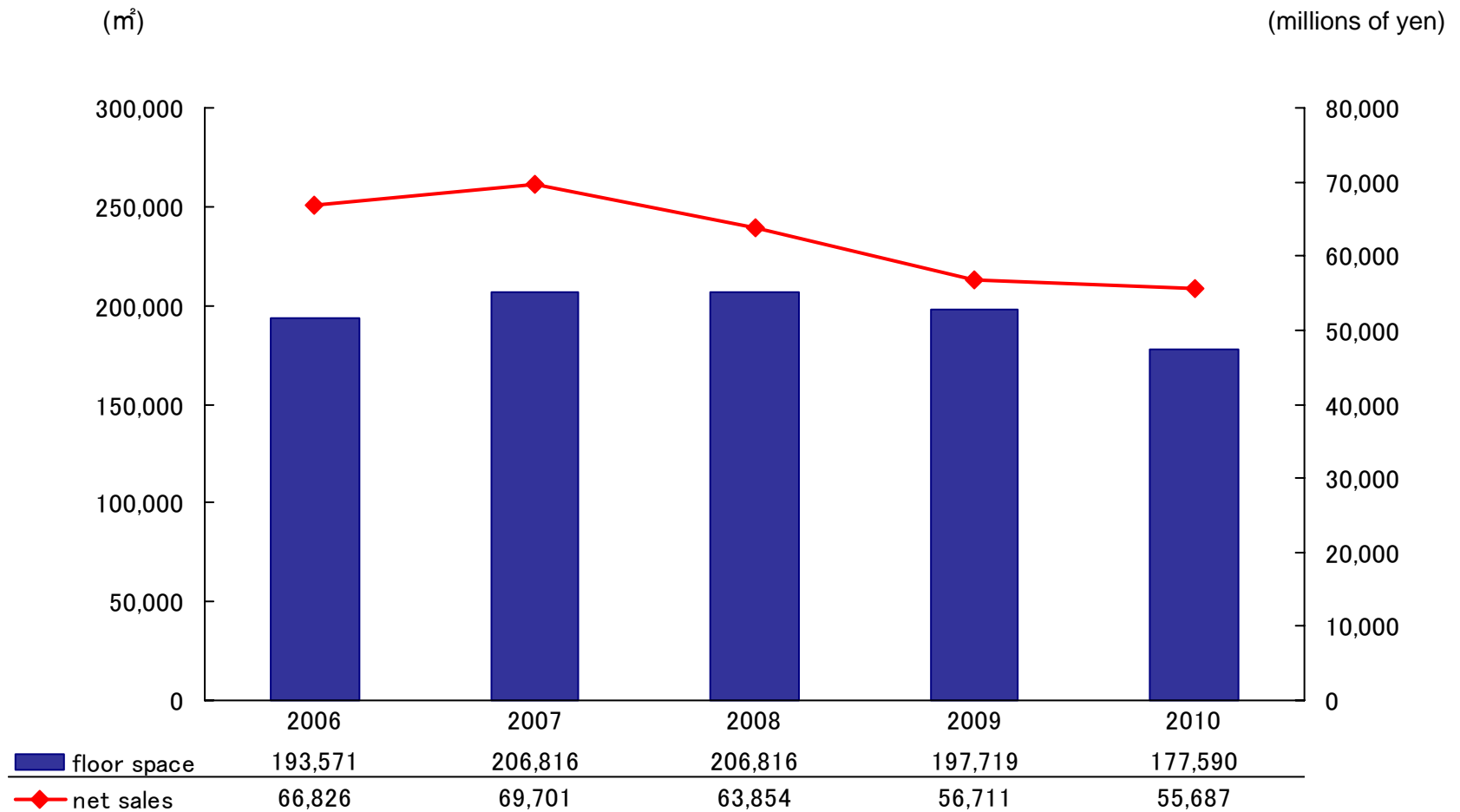


## 6. Number of employees

		As of December 31,2009	As of December 31,2010
	Store	1,202	1,180
Total		1,745	1,678

- \* Nihombashi store, Corporate customer division and Production planning division were integrated into corporate customer division (Ninombashi store) in Sep.,2010.
- \* not including the number of employees of Nihombashi store in [Store] of the above table because of the organizational change
- \* not including the number of board member, corporate officer, temporary worker and loan employee.

# 7. Store floor space and store net sales



\* store floor space is as of Dec.31

		Showroom	Floor space (㎡)	Note
Kanto	1	Ariake Head Office showroom	24,673	decreased floor space on Sep.17,2010(34,714 ㎡ →24,673㎡)
	2	Yokohama Minatomirai showroom	19,500	
	3	Tama showroom	15,854	closed on Dec.31,2010
	4	Shinjuku showroom	13,602	
	5	Kasukabe showroom	10,772	
	6	Ginza showroom	7,007	opened on Oct.2,2010
	7	Yokohama outlet	4,189	
	8	Nihombashi store	3,045	(Corporate Customer Division) organizational change
	9	Tokorozawa showroom	1,537	
			(Makuhari showroom)	(20,711)
		(Poltrona Frau Nihombashi)	(384)	closed on Mar.7,2010
Kansai	1	Osaka Nanko showroom	22,242	decreased floor space on Oct.26,2009(25,710 ㎡ →22,242㎡)
	2	Umeda showroom	9,361	closed on Dec.31,2010
	3	Kobe showroom	8,566	increased floor space on Feb.28,2009(6,602 ㎡ →8,566 ㎡)
	4	Modern Style Shop Yodoyabashi	475	
Tokai	1	Nagoya Sakae showroom	11,178	
	2	Nagoya Hoshizaki showroom	4,670	
Others	1	Sendai showroom	11,291	opened on Oct.23,2009
	2	Fukuoka showroom	9,628	
		(Kokura showroom)	(14,050)	closed on May.10,2009
		(Koriyama showroom)	(4,834)	closed on Sep.23,2009
		Total	177,590	as of Dec.31,2010 including TamaSR・UmedaSR



# FY 2011 Forecasts

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# 1. FY 2011 Forecasts

(millions of yen,%)

	2010	2011 Forecasts			
	Results	First-half	Second-half	Full-year	Y/Y
Net sales	56,912	29,787	28,562	58,350	2.5
Gross profit	31,064	16,489	15,845	32,335	4.1
%sales	54.6	55.4	55.5	55.4	
Operating income (loss)	(132)	840	129	970	—
%sales	(0.2)	2.8	0.5	1.7	
Ordinary income	38	961	165	1,126	2811.0
%sales	0.1	3.2	0.6	1.9	
Net income (loss)	(255)	22	44	66	—
%sales	(0.4)	0.1	0.2	0.1	

## 2. Breakdown of net sales

(millions of yen,%)

	2010 Results	2011 Forecasts			Y/Y
		First-half	Second-half	Full-year	
Kanto	35,349	18,882	18,370	37,253	5.4
Kansai	12,147	5,510	5,176	10,687	(12.0)
Tokai	3,895	2,093	1,986	4,080	4.7
Others	4,294	2,590	2,459	5,050	17.6
Store sales total	55,687	29,076	27,993	57,070	2.5
%sales	97.9	97.6	98.0	97.8	
Corporate sales	1,146	672	528	1,200	4.6
%sales	2.0	2.3	1.9	2.1	
Others	77	39	40	80	2.8
%sales	0.1	0.1	0.1	0.1	
<b>Total</b>	<b>56,912</b>	<b>29,787</b>	<b>28,562</b>	<b>58,350</b>	<b>2.5</b>
%sales	100.0	100.0	100.0	100.0	

\* ref. p.5 for store information

### 3. SG&A expenses

(millions of yen,%)

	2010	2011 Forecasts			Y/Y
	Results	Fist-half	Second-half	Full-year	
Transportation	1,636	872	841	1,713	4.7
%sales	2.9	2.9	2.9	2.9	
Advertising	3,524	1,905	1,944	3,850	9.2
%sales	6.2	6.4	6.8	6.6	
Personnel	10,243	5,137	5,137	10,274	0.3
%sales	18.0	17.2	18.0	17.6	
Rents (including Administrative expenses)	11,743	5,483	5,565	11,048	(5.9)
%sales	20.6	18.4	19.5	18.9	
Others	4,049	2,251	2,227	4,478	10.6
%sales	7.1	7.6	7.8	7.7	
Total	31,197	15,649	15,715	31,365	0.5
%sales	54.8	52.5	55.0	53.8	



## 4. Non-operating income and expenses

(millions of yen,%)

	2010 Results	2011 Forecasts			Y/Y
		First-half	Second-half	Full-year	
Income	183	124	40	164	(10.1)
Interest and dividend	83	63	18	82	(0.5)
Other	100	61	21	82	(18.1)
Expenses	12	4	3	8	(34.4)

— YE 2011 forecasts —

Extraordinary gain : None

Extraordinary loss : Asset retirement obligations 702 million yen

# 5. Investment and depreciation

(millions of yen)

	2010 Results		2011 Forecasts	
Capital expenditure	354		386	
	Ginza SR	311	Tachikawa SR	59
	Store facilities, etc.	23	Store facilities, etc.	60
	System renewal	19	System renewal	243
			Others	21
Security deposit	(28)		(800)	
	Ginza SR	672	Tachikawa SR	100
	Tachikawa SR	50	Makuhari SR	(450)
	Makuhari SR	(460)	Tama SR	(280)
	Ariake Head Office SR	(244)	Umeda SR	(166)
	PF Nihombashi	(50)	Others	(3)
	Others	4		
Total	326		(414)	
Depreciation	241		294	

\* SR=showroom

# 6. Store

	Showroom	Time	Note
Open	Tachikawa SR	Feb 17, 2011	Tachikawa (Tokyo) Takashimaya Department store 7F,8F 4,421m <sup>2</sup>
	Ginza SR	Oct 2, 2010	1-9-13 Ginza,Chuo-ku,Tokyo 7,007m <sup>2</sup>
Close	Tama SR	Dec 31, 2010	Relocated to Tachikawa 15,854m <sup>2</sup> (opened in 2000)
	Umeda SR	Dec 31, 2010	combined into Osaka Nanko SR 9,361m <sup>2</sup> (opened in 2001) opening new showroom in Osaka City under construction
	Makuhari SR	Sep 26, 2010	combined into Ariake Head Office showroom 20,711m <sup>2</sup> (opned in 1999) opening new showroom in Chiba prefecture under construction
	Poltrona Frau Nihombashi	March 7, 2010	combined into Ariake Head Office showroom 384m <sup>2</sup> (opened in 2005)
Other	Ariake Head Office SR	Sep 17, 2010	decreased floor space 30,714m <sup>2</sup> →24,673m <sup>2</sup>

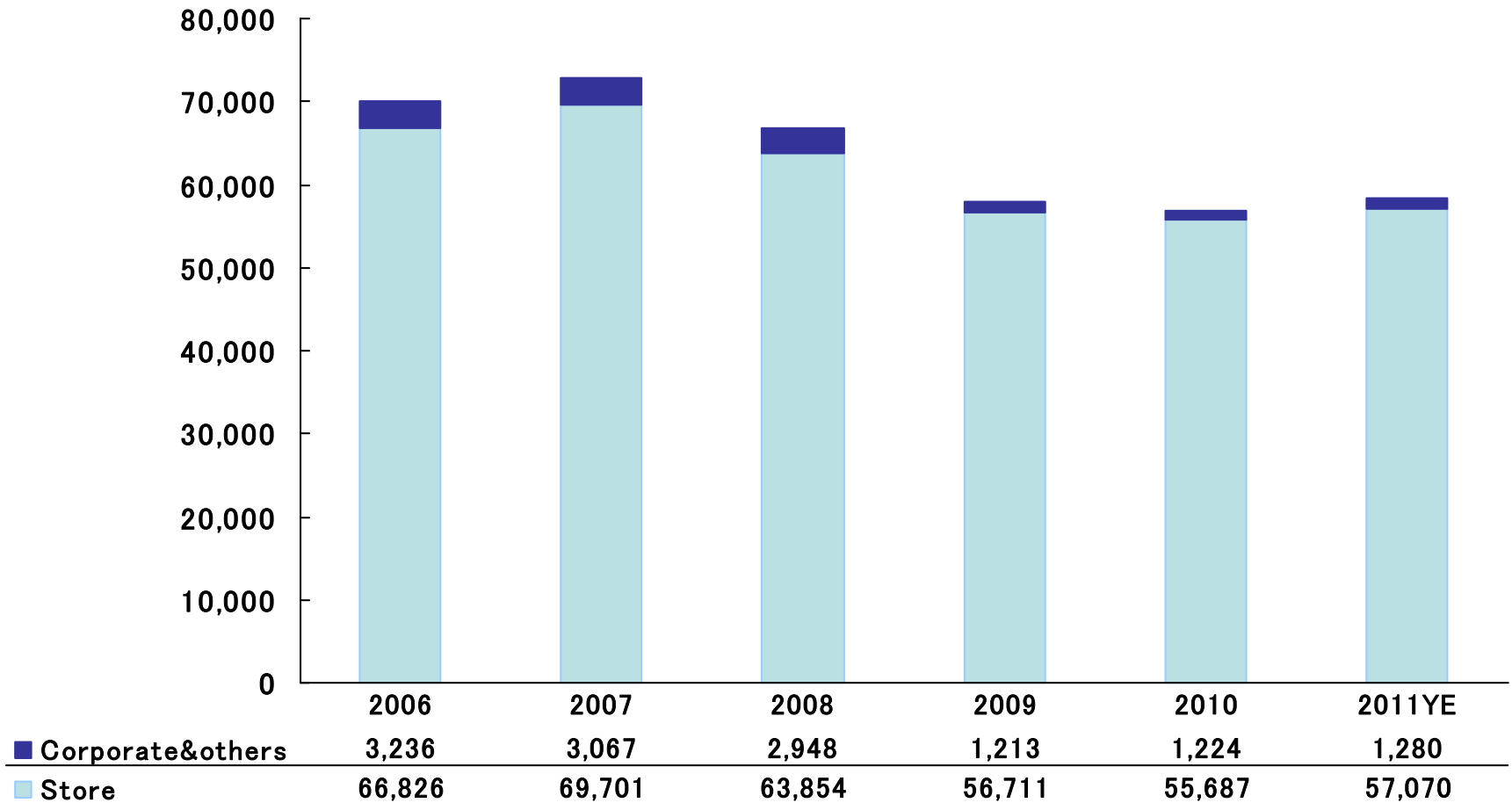
## 7. Number of employees

	2010	2011
As of Dec.31	1,678	1,678
New graduate recruitment	13	16
Mid-career recruitment	25	To be determined according to the number of retired employees

\* not including the number of board member, corporate officer, temporary worker and loan employee.

# 8. Net sales (Full-year)

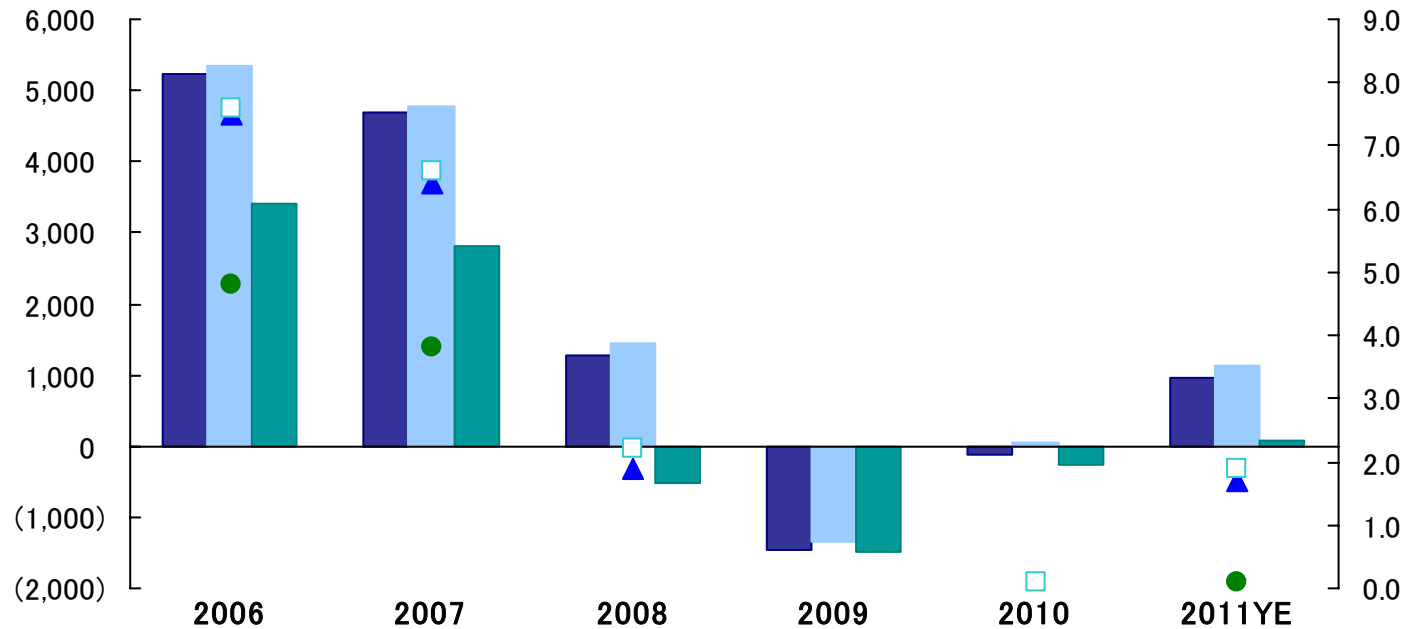
(millions of yen)



# 9. Full-year profits

(millions of yen)

(%)

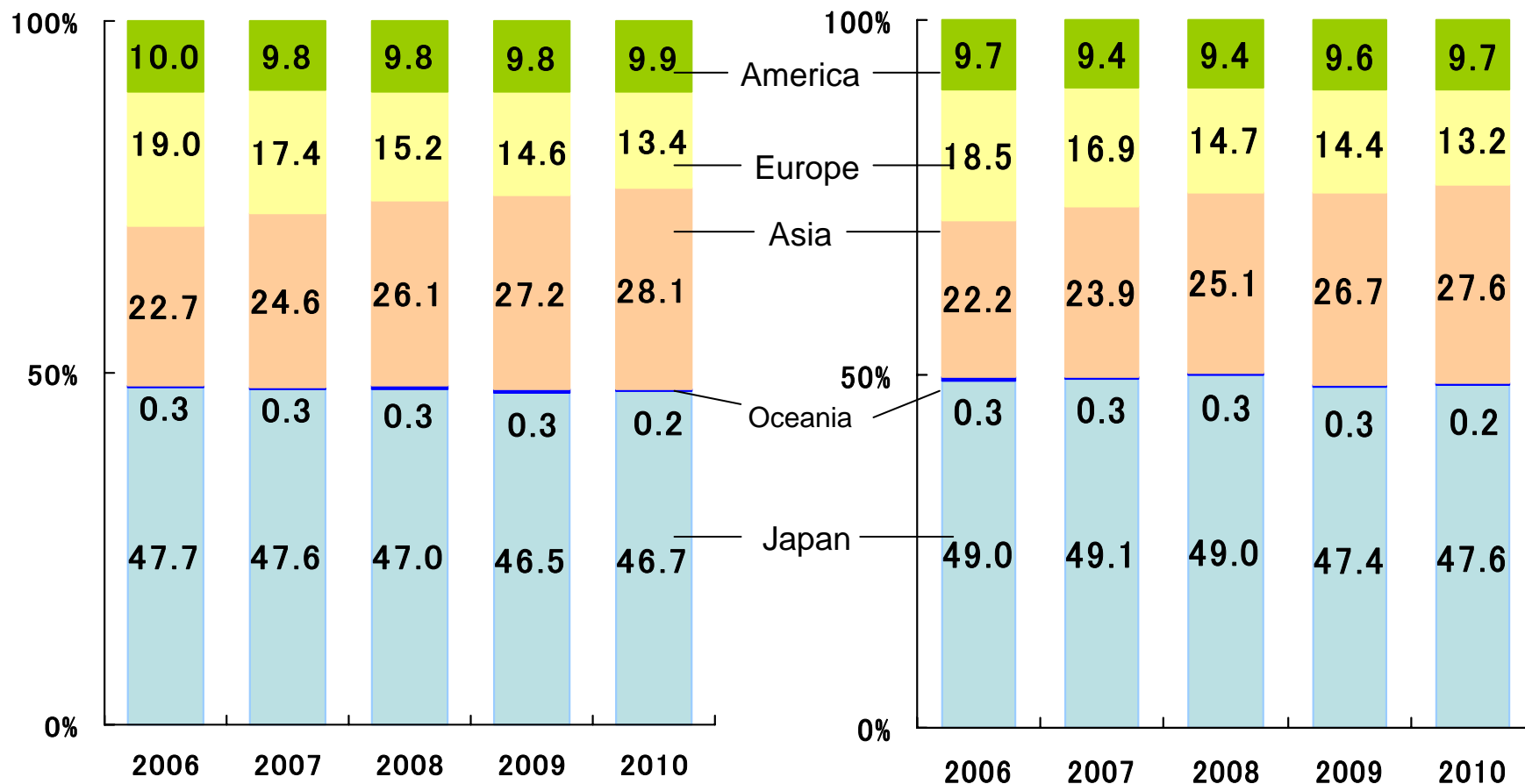


■ operating income	5,236	4,679	1,269	(1,451)	(132)	970
■ ordinary income	5,350	4,780	1,456	(1,337)	38	1,126
■ net income	3,397	2,799	(530)	(1,490)	(255)	66
▲ operating income ratio	7.5	6.4	1.9	(2.5)	(0.2)	1.7
□ ordinary income ratio	7.6	6.6	2.2	(2.3)	0.1	1.9
● net income ratio	4.8	3.8	(0.8)	(2.6)	(0.4)	0.1

# 10. Full-year sales of imports by country of origin

【 Showroom 】

【 Total 】





These data have been prepared solely for the purpose of supplying information about settlement and our business.

These data are not, and should not be construed as, an offer solicitation for purchases of our securities.

These data were prepared based on information that were available on February 18, 2011.

The forecasts indicated in these data and actual results may differ from those forecasts depending on various factors.

The contents indicated here may be changed without a preliminary announcement.