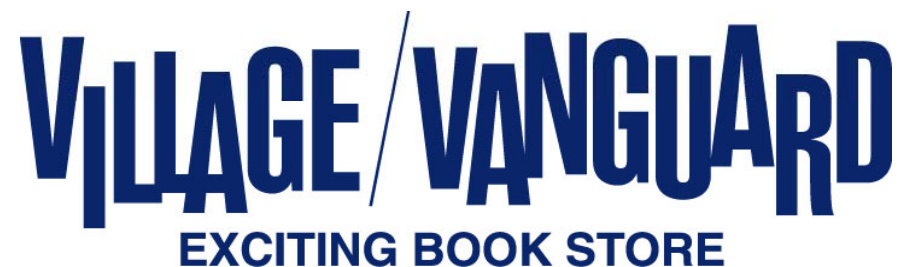


FY05/11 Results Presentation



Note:

Any current plans, forecasts, strategy projections, expressions of confidence and other statements made by us in these materials are premised on the information that was available at the moment of the initial publication and on models that depend on uncertain factors that could impact future earnings.

As the actual results may substantially differ from the projections represented herein due to a variety of reasons, we urge you not to rely solely on these materials.

These materials are not a solicitation to invest. Please rely on your own judgment when making investment decisions.

Our thoughts go out to all of the victims of the Great East Japan Earthquake

1. Future Impact

① Currently closed stores

	Stores currently closed	
	VV	Titicaca
As of March 12	89	22
As of March 31	10	1
As of April 15	5	1
As of April 30	1	1
As of May 31	1	1
As of June 14	0	0

On July 14, VV Izumi Osawa branch and Titicaca Izumi Osawa branch resumed operations.

As of July 15, no stores were suspended from operation.

② Stores in blackout areas

Location	VV	Titicaca
Tokyo (exl. 23 wards)	12	4
Kanagawa	14	6
Saitama	22	6
Chiba	17	6
Gumma	2	1
Tochigi	3	0
Yamanashi	2	1
Shizuoka	2	0
Total	74	24

*There are no planned blackouts.

③ Fukushima I Nuclear Power Plant

Distance from the plant

● Within 50km radius = 0 stores

● Within 100km radius = 7 stores

* The above figures are for VV. There are no Titicaca stores within 100km.

2. FY05/11 Earthquake-related Extraordinary losses

■ VV	Amount	Main causes
	41.8 million yen	Approx. 11.1 million yen for store repairs; approx. 30.7 million yen due to damaged goods
■ Titicaca	Amount	Main causes
	14.0 million yen	Approx. 12.5 million yen for store repairs; approx. 1.5 million yen for damaged goods

Income Statement (Consolidated)



Income Statement (Million Yen)	FY05/10				FY05/11				FY05/12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 Est.	Q2 Est.	Q3 Est.	Q4 Est.
Sales	8,630	8,273	10,290	9,456	9,359	9,125	11,397	9,926	10,204	10,054	12,335	11,078
SG&A	2,799	2,879	3,069	3,117	3,120	3,265	3,401	3,429	3,455	3,593	3,739	3,803
Labor	1,248	1,246	1,327	1,393	1,471	1,486	1,526	1,567	1,661	1,716	1,770	1,803
Rent	753	732	883	817	828	824	991	887	896	878	1,041	958
Depreciation	102	108	113	120	113	125	119	136	123	137	141	148
Operating Profit	799	548	1,203	755	781	620	1,372	721	814	632	1,456	822
Recurring Profit	814	561	1,213	768	790	643	1,391	746	832	642	1,463	832
Net Income	462	299	641	430	267	299	733	380	390	327	801	427
Sales YoY	17.5%	10.9%	5.7%	8.9%	8.4%	10.3%	10.8%	5.0%	9.0%	10.2%	8.2%	11.6%
SG&A YoY	23.3%	5.7%	9.7%	10.1%	11.4%	13.4%	10.8%	10.0%	10.7%	10.1%	9.9%	10.9%
Labor YoY	25.4%	13.9%	15.4%	16.3%	17.8%	19.3%	15.0%	12.5%	12.9%	15.5%	16.0%	15.1%
Rent YoY	19.1%	12.6%	6.0%	8.6%	9.9%	12.6%	12.2%	8.6%	8.2%	6.6%	5.0%	8.0%
Depreciation YoY	47.8%	13.7%	4.6%	6.2%	11.2%	15.7%	5.3%	13.3%	8.3%	9.6%	18.5%	8.8%
Operating Profit YoY	9.3%	46.5%	4.5%	-12.8%	-2.2%	13.1%	14.0%	-4.5%	4.2%	1.9%	6.1%	14.0%
Recurring Profit YoY	8.1%	43.5%	4.2%	-11.0%	-2.8%	14.6%	14.7%	-2.9%	5.2%	-0.2%	5.2%	11.5%
Net Income YoY	11.6%	39.7%	6.0%	-8.1%	-42.0%	0.0%	14.4%	-11.6%	45.7%	9.4%	9.3%	12.4%
Operating Profit Margin	9.3%	6.6%	11.7%	8.0%	8.3%	6.8%	12.0%	7.3%	8.0%	6.3%	11.8%	7.4%
Recurring Profit Margin	9.4%	6.8%	11.8%	8.1%	8.4%	7.0%	12.2%	7.5%	8.2%	6.4%	11.9%	7.5%
Net Profit Margin	5.4%	3.6%	6.2%	4.5%	2.9%	3.3%	6.4%	3.8%	3.8%	3.3%	6.5%	3.9%
Versus plan												
Sales	1.0%	-0.2%	-1.3%	-8.9%	0.9%	1.9%	-0.3%	-0.9%				
SG&A	0.9%	-1.9%	-1.6%	-5.6%	-1.8%	-2.2%	1.3%	-2.4%				
Operating Profit	4.2%	5.6%	0.5%	-24.3%	11.4%	47.3%	5.3%	14.4%				
Recurring Profit	5.0%	8.1%	1.2%	-25.1%	13.0%	51.3%	4.3%	18.4%				
Net Income	6.0%	0.7%	-4.6%	-24.7%	15.6%	37.8%	11.1%	21.8%				

Village Vanguard (Hong Kong) Limited is included in consolidated accounts from FY05/11

BS (Consolidated)

Balance Sheet (Million Yen)	FY05/10				FY05/11				FY05/12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 Est.	Q2 Est.	Q3 Est.	Q4 Est.
Cash & Deposit	2,685	2,957	3,503	4,037	3,045	3,378	3,582	3,972	2,990	3,708	4,412	5,142
Inventories	15,003	15,928	15,315	15,466	16,182	17,044	16,726	16,950	18,146	19,057	18,434	18,408
Other	2,601	2,345	2,448	2,641	2,977	2,630	2,675	2,859	3,124	2,793	2,967	3,088
Current Assets	20,290	21,231	21,267	22,145	22,205	23,053	22,984	23,782	24,261	25,560	25,813	26,639
Fixed Assets	4,440	4,519	4,414	4,382	4,599	4,668	4,780	5,226	5,309	5,299	5,228	5,206
Total Assets	24,731	25,750	25,682	26,528	26,805	27,721	27,765	29,009	29,571	30,859	31,041	31,846
Current Liabilities	8,053	8,214	7,626	8,370	8,118	8,338	7,858	8,748	9,309	9,390	8,831	9,409
Fixed Liabilities	3,824	4,382	4,261	3,934	4,310	4,711	4,507	4,485	4,204	5,087	5,028	4,829
Total Liabilities	11,877	12,596	11,887	12,304	12,428	13,049	12,365	13,233	13,513	14,477	13,859	14,238
Net Assets	12,853	13,153	13,793	14,223	14,376	14,671	15,399	15,775	16,056	16,382	17,182	17,607

Village Vanguard (Hong Kong) Limited is included in consolidated accounts from FY05/11

CF (Consolidated)

Cash Flow Statement (Million Yen)	FY05/10				FY05/11				FY05/12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 Est.	Q2 Est.	Q3 Est.	Q4 Est.
Operating Cash Flow	-292	-146	298	1,647	-730	-347	-111	1,143	-686	-322	13	1,632
Change in Inventories	-872	-1,796	-1,183	-1,335	-644	-1,506	-1,191	-1,415	-1,195	-2,106	-1,483	-1,457
Other	579	1,650	1,481	2,983	-86	1,854	1,079	2,559	508	1,784	1,496	3,090
Investment Cash Flow	-186	-475	-600	-735	-156	-428	-669	-1,218	-263	-442	-556	-756
Change in Tangible Fixed Assets	-104	-212	-309	-487	-93	-234	-374	-684	-178	-297	-381	-519
Change in Other Assets	-82	-262	-291	-248	-63	-194	-295	-534	-85	-145	-174	-236
Financing Cash Flow	86	503	728	47	-141	80	290	-24	-31	501	983	294
Operating CF + Investment CF	-479	-621	-302	912	-886	-776	-780	-75	-949	-764	-543	876

Village Vanguard (Hong Kong) Limited is included in consolidated accounts from FY05/11

Parent Company

Village Vanguard Corporation

What We Do

VILLAGE/VANGUARD



Mall-located store

Standalone store

■ Village Vanguard

Our concept is "A bookstore where you can play." By bringing together various products such as books, variety goods, and CDs, our stores have a unique feel.



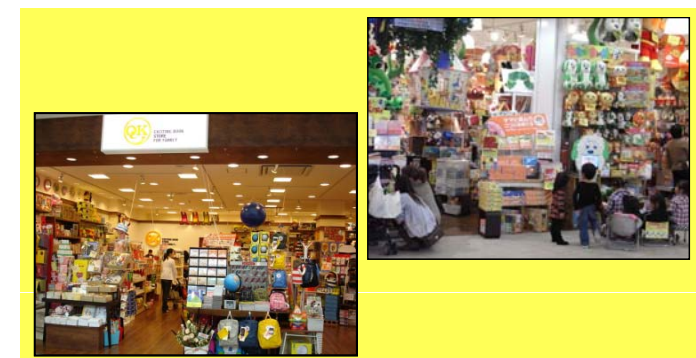
■ Diner

An old-school hamburger shop modeled after an American diner.



■ new style

For those who want to be particular about their style, both at work and at play—a new style for you.



■ QK

"Exciting book store for kids"

Kids can have their own entertainment. We offer excitement beyond just toys.

Examples of Our Merchandising Approach (1)

We offer merchandise by creating a unique retail space aimed at entertaining the customer

For example, merchandise themed around "Turn your room into a bar"

When you drink you're my Cinderella...

Jazz is the best accompaniment when having a drink...



Lemon Squeezer

Books to read while drinking a daiquiri:

- *The Old Man and the Sea*
- *Hemingway's Favorites*
- *Factotum*

"Tokyo hard-boiled" genre books:

- *Tokyo Shark*
- *Inspired*

Merchandise themed on "365 days of Camera Living"...

Camera-shaped shoulder bag
Camera-shaped hand mirror

Toy camera "HOLGA"
Very popular with amateur photographers and artists

Photography book and DVD including airborne imagery of night scenes of Tokyo



Photography textbook
A tool becomes truly supportive when you use it properly.

Paperback books related to photographs and cameras

Tokyo Night Flight

Urban relaxation... Turn off the lights and enjoy the great scenery with a cocktail.

Examples of Our Merchandising Approach (2)

VILLAGE/VANGUARD



VILLAGE / VANGUARD



How Do We Sell?

We delegate both purchasing and sales decisions to the store level

Marketing

- Pursue customer needs in each store

Purchasing

- Reflect customer needs directly
- Unique challenge to discover new needs

Proposition

- POP, zone creations, and displays
- Provide an ingenious space from every store level idea

Store manager has
absolute discretion

Create a retail space that answers the unique needs of
each store's customers, in real time

Store level ideas driving buying impulse and customer loyalty



- Hiring people who really understand the company
- Even temporary staff are allowed to make purchasing decisions
- Long-term practical on-the-job training

Store Openings (Parent)

Store data as of end-May 2011

VILLAGE/VANGUARD

365 stores nationwide
343 Directly Managed (DM)

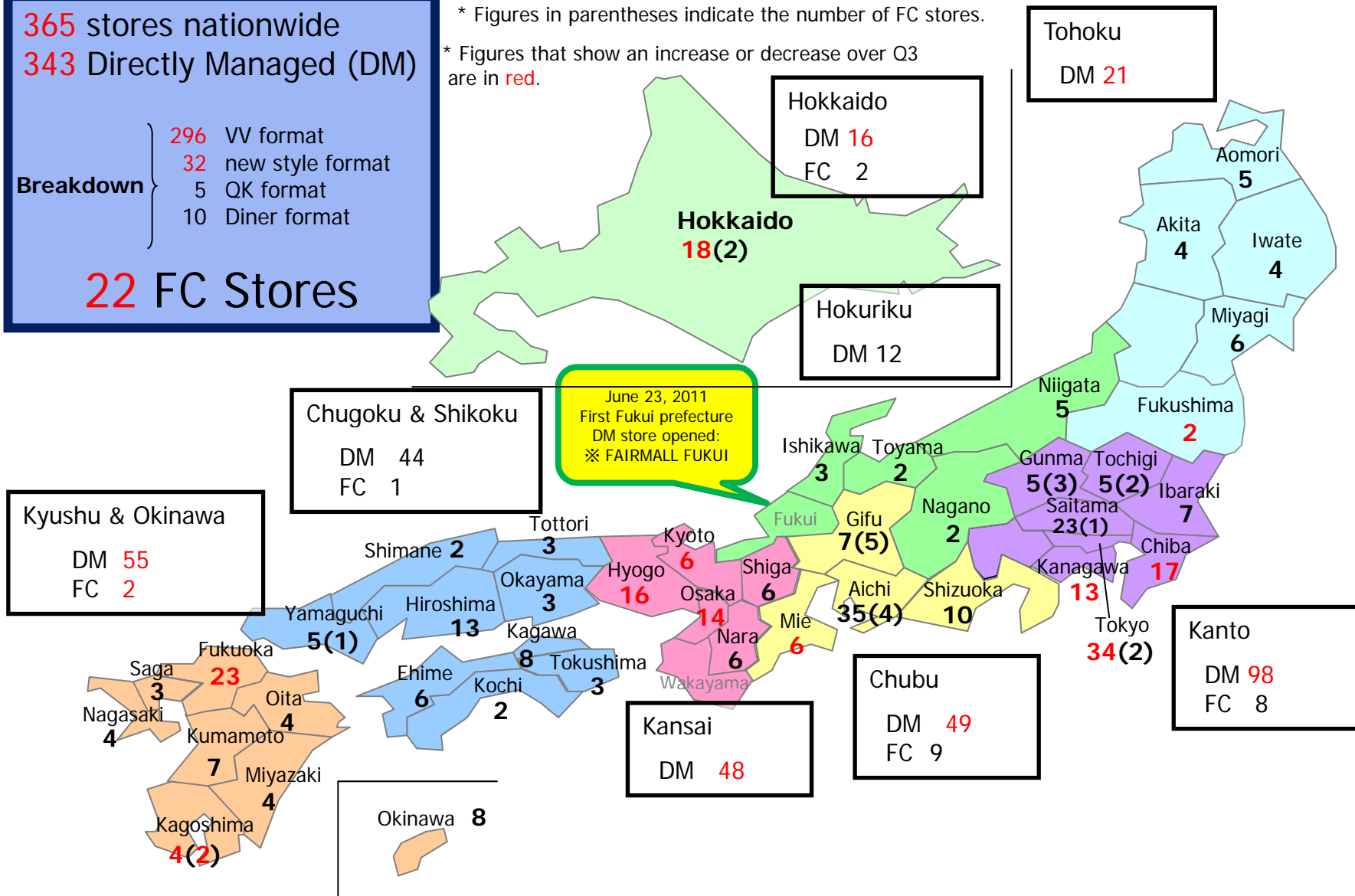
Breakdown

- 296 VV format
- 32 new style format
- 5 QK format
- 10 Diner format

22 FC Stores

* Figures in parentheses indicate the number of FC stores.

* Figures that show an increase or decrease over Q3 are in **red**.



VV – Results (Parent)

Parent Income Statement



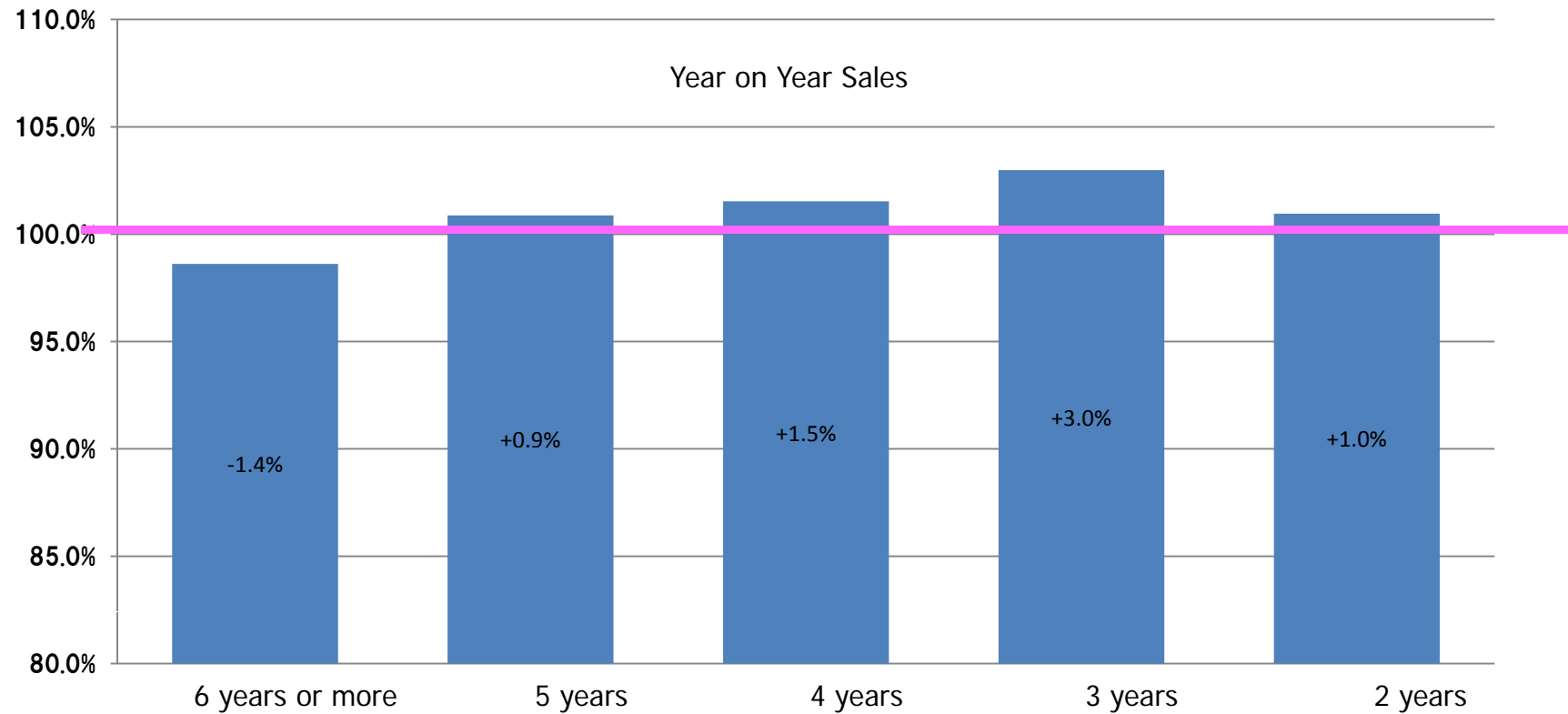
Q3 and Q4 FY05/11 Versus Plan figures reflect performance vs. revised budgets.

Income Statement (Million Yen)	FY05/10				FY05/11				FY05/12			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 Est.	Q2 Est.	Q3 Est.	Q4 Est.
Sales	8,271	7,827	9,888	9,008	8,783	8,402	10,776	9,315	9,348	8,935	11,329	10,102
Gross Profit	3,351	3,130	3,994	3,582	3,500	3,403	4,354	3,739	3,713	3,540	4,566	4,036
SG&A	2,567	2,610	2,776	2,815	2,762	2,869	3,015	2,998	2,977	3,030	3,171	3,209
Labor	1,137	1,137	1,191	1,259	1,306	1,318	1,354	1,378	1,423	1,448	1,484	1,507
Rent	705	674	822	751	746	732	906	798	815	781	958	868
Depreciation	95	100	103	107	97	107	99	114	97	106	107	110
Operating Profit	784	519	1,218	768	738	534	1,339	740	736	509	1,396	827
Recurring Profit	806	541	1,235	791	759	564	1,368	771	761	533	1,416	847
Net Income	455	278	664	429	266	273	731	431	360	275	782	438
Sales YoY	16.6%	9.6%	4.8%	7.3%	6.2%	7.3%	9.0%	3.4%	6.4%	6.3%	5.1%	8.4%
Gross Profit YoY	41.8%	9.9%	1.0%	0.0%	4.4%	7.0%	-3.9%	6.5%	6.1%	-0.9%	8.1%	-3.5%
Operating Profit YoY	7.5%	44.6%	5.7%	-13.2%	-5.9%	2.9%	9.9%	-3.6%	7.8%	-4.7%	4.3%	11.8%
Recurring Profit YoY	6.3%	41.3%	5.3%	-10.7%	-5.9%	4.3%	10.8%	-2.5%	0.3%	-5.5%	3.5%	9.9%
Net Income YoY	8.9%	33.7%	4.2%	-14.7%	-41.5%	-1.8%	10.1%	0.5%	35.3%	0.7%	7.0%	1.6%
Gross Profit Margin	40.5%	40.0%	40.4%	39.8%	39.8%	40.5%	40.4%	40.1%	39.7%	39.6%	40.3%	40.0%
Operating Profit Margin	9.5%	6.6%	12.3%	8.5%	8.4%	6.4%	12.4%	7.9%	7.9%	5.7%	12.3%	8.2%
Recurring Profit Margin	9.7%	6.9%	12.5%	8.8%	8.6%	6.7%	12.7%	8.3%	8.1%	6.0%	12.5%	8.4%
Net Profit Margin	5.5%	3.6%	6.7%	4.8%	3.0%	3.2%	6.8%	4.6%	3.9%	3.1%	6.9%	4.3%
Versus Plan												
Sales	1.2%	0.2%	-0.8%	-9.3%	0.6%	1.3%	-0.4%	-2.0%				
Gross Profit	1.8%	-0.5%	-0.3%	-10.9%	0.1%	2.6%	2.6%	-1.7%				
SG&A	1.3%	-1.8%	-1.8%	-5.7%	-1.6%	-2.8%	0.9%	-4.5%				
Operating Profit	3.6%	6.7%	2.9%	-25.1%	7.3%	45.1%	6.9%	12.0%				
Recurring Profit	4.9%	6.9%	3.1%	-23.6%	8.4%	47.3%	6.0%	14.7%				
Net Income	5.8%	-1.5%	-1.1%	-26.0%	8.1%	35.1%	11.3%	24.9%				

Sales by Category

Sales by Category		FY05/09				FY05/10				FY05/11			
(Million Yen)		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SPICE (Parent)		5,109	5,243	7,102	6,310	6,193	5,926	7,785	6,904	6,780	6,461	8,609	7,177
(Internal Sourcing Team)		1,180	1,332	2,004	1,738	1,578	1,565	2,297	1,904	1,752	1,770	2,713	2,088
(Other)		3,928	3,911	5,098	4,573	4,614	4,361	5,489	5,000	5,027	4,691	5,896	5,090
Books (Parent)		1,038	1,041	1,171	1,087	1,045	997	1,147	1,117	1,023	1,039	1,178	1,156
NM (Parent)		810	723	997	801	844	664	771	769	790	719	804	792
Other (Parent)		139	135	168	199	189	238	185	218	188	184	184	190
Sales		7,096	7,142	9,438	8,397	8,271	7,825	9,888	9,008	8,783	8,402	10,776	9,315
Composition													
SPICE (Parent)		72.0%	73.4%	75.2%	75.1%	74.9%	75.7%	78.7%	76.6%	77.2%	76.9%	79.9%	77.0%
(Internal Sourcing Team)		16.6%	17.6%	19.1%	19.5%	19.1%	19.5%	20.9%	21.0%	20.0%	20.5%	22.3%	22.3%
(Other)		55.4%	55.1%	54.6%	54.6%	55.8%	55.8%	55.7%	55.6%	57.2%	56.6%	55.8%	55.5%
Books (Parent)		14.6%	14.6%	12.4%	12.9%	12.6%	12.7%	11.6%	12.4%	11.6%	12.4%	10.9%	12.4%
NM (Parent)		11.4%	10.1%	10.6%	9.5%	10.2%	8.5%	7.8%	8.5%	9.0%	8.6%	7.5%	8.5%
Other (Parent)		2.0%	1.9%	1.8%	2.4%	2.3%	3.0%	1.9%	2.4%	2.1%	2.2%	1.7%	2.0%

Year on Year Sales (by age of store)

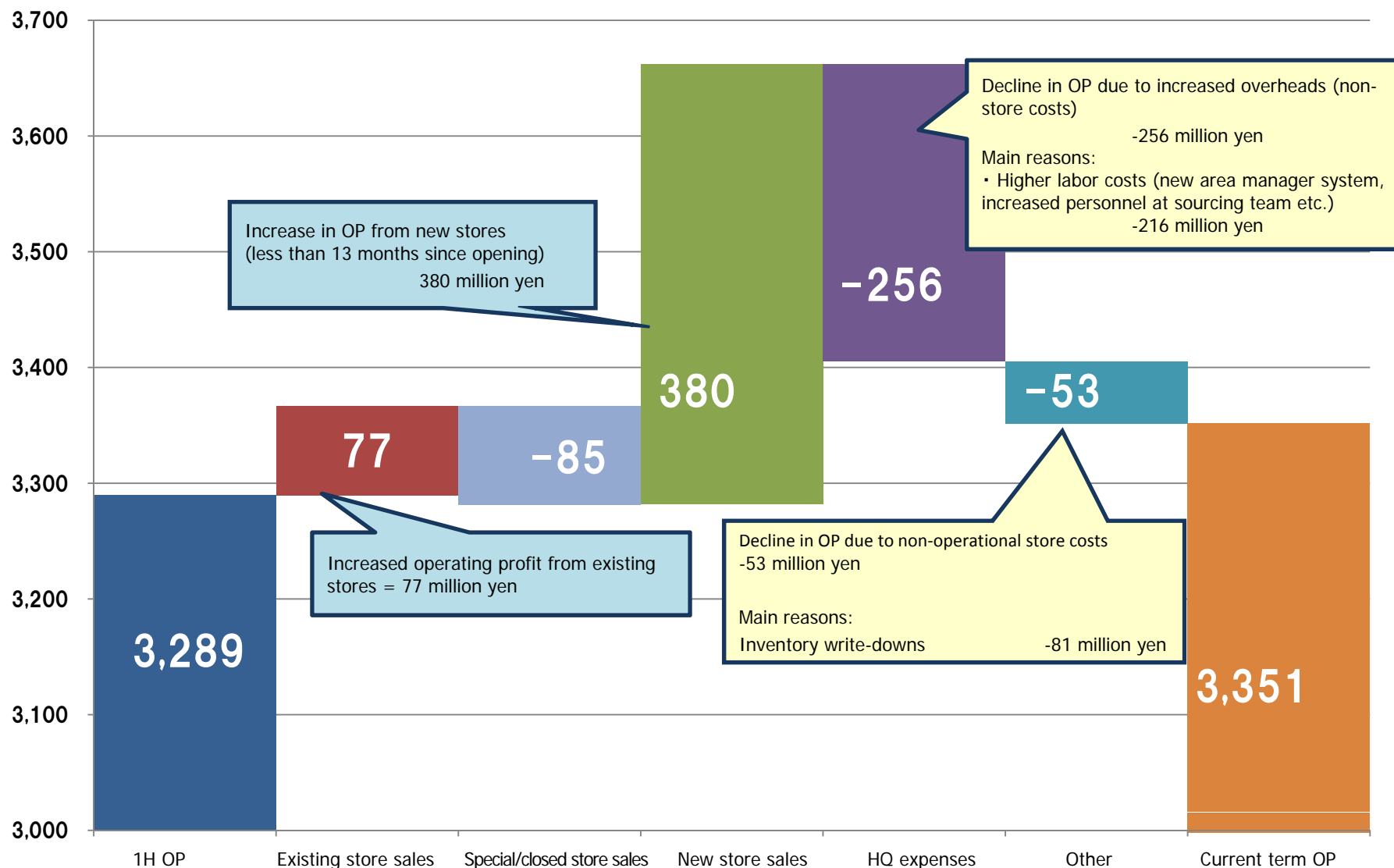


Age of Store	6 years or more	5	4	3	2	1 year or less
Number of Stores*	150	36	27	57	32	39
Year on Year Sales (%)	-1.4	+0.9	+1.5	+3.0	+1.0	-

* Mobile stores and closed stores are excluded.

OP Analysis

(Million Yen)

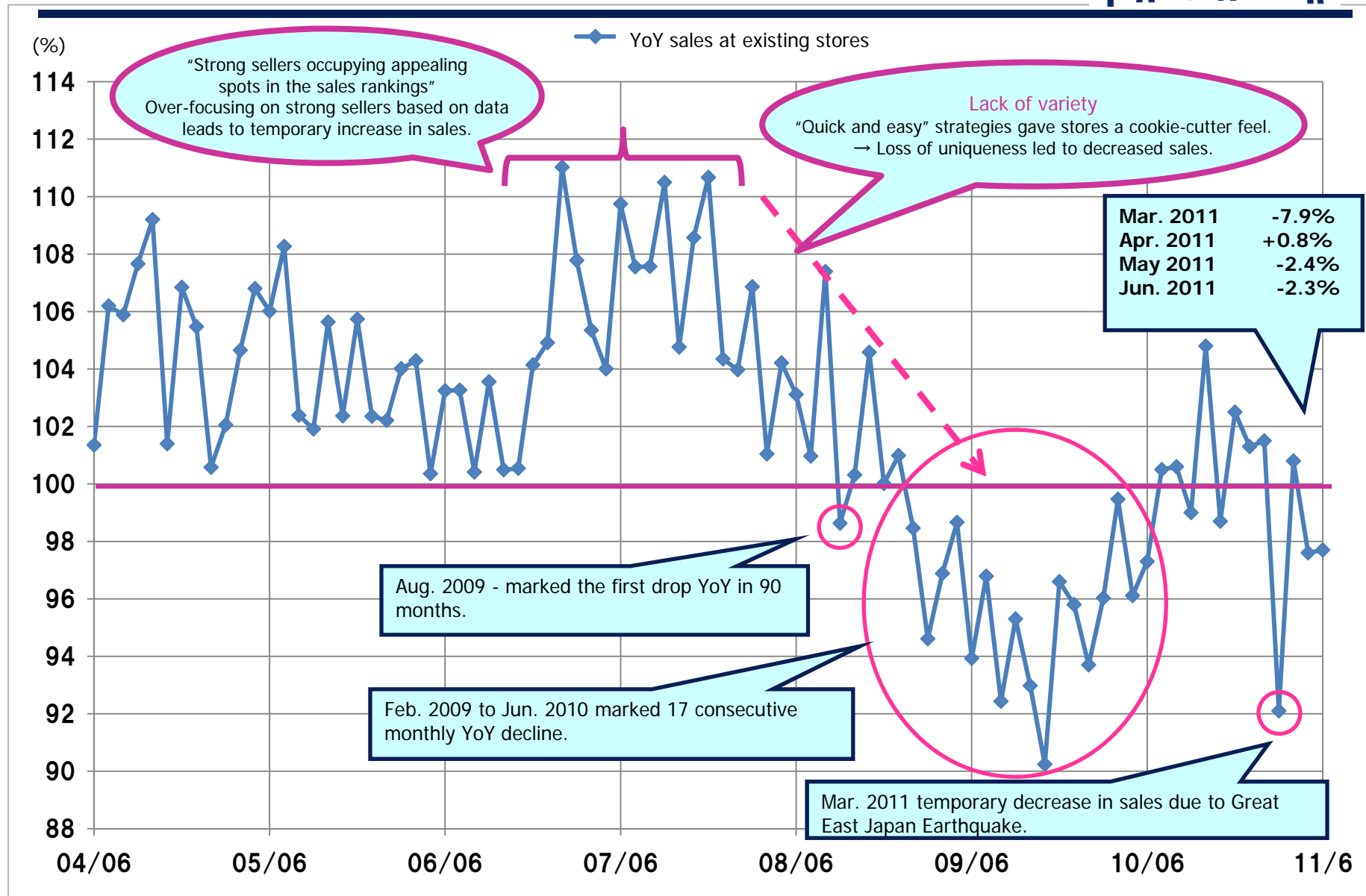


Store Openings (Incl. Titicaca Subsidiary)



New Openings & Closures	FY05/09	FY05/10	FY05/11 Plan	FY05/11 Act.	FY05/12 Plan 1H	FY05/12 Plan 2H	FY05/12 Plan Full-Year
Openings							
Village Vanguard	42	30	33	39	12	9	21
new style	8	1	7	7	4	0	4
QK	5	0	0	0	0	0	0
Diner	4	1	0	0	0	0	0
FC	0	2	0	0	0	0	0
Titicaca	12	16	8	15	9	10	19
Total New Openings	71	50	48	61	25	19	44
Closures							
Village Vanguard	6	6	8	8	0	0	0
new style	0	0	0	0	0	0	0
QK	0	0	4	4	1	0	1
Diner	0	0	0	0	1	0	1
FC	2	6	2	3	0	0	0
Titicaca	7	1	3	4	0	1	1
Total Closures	15	13	17	19	2	1	3

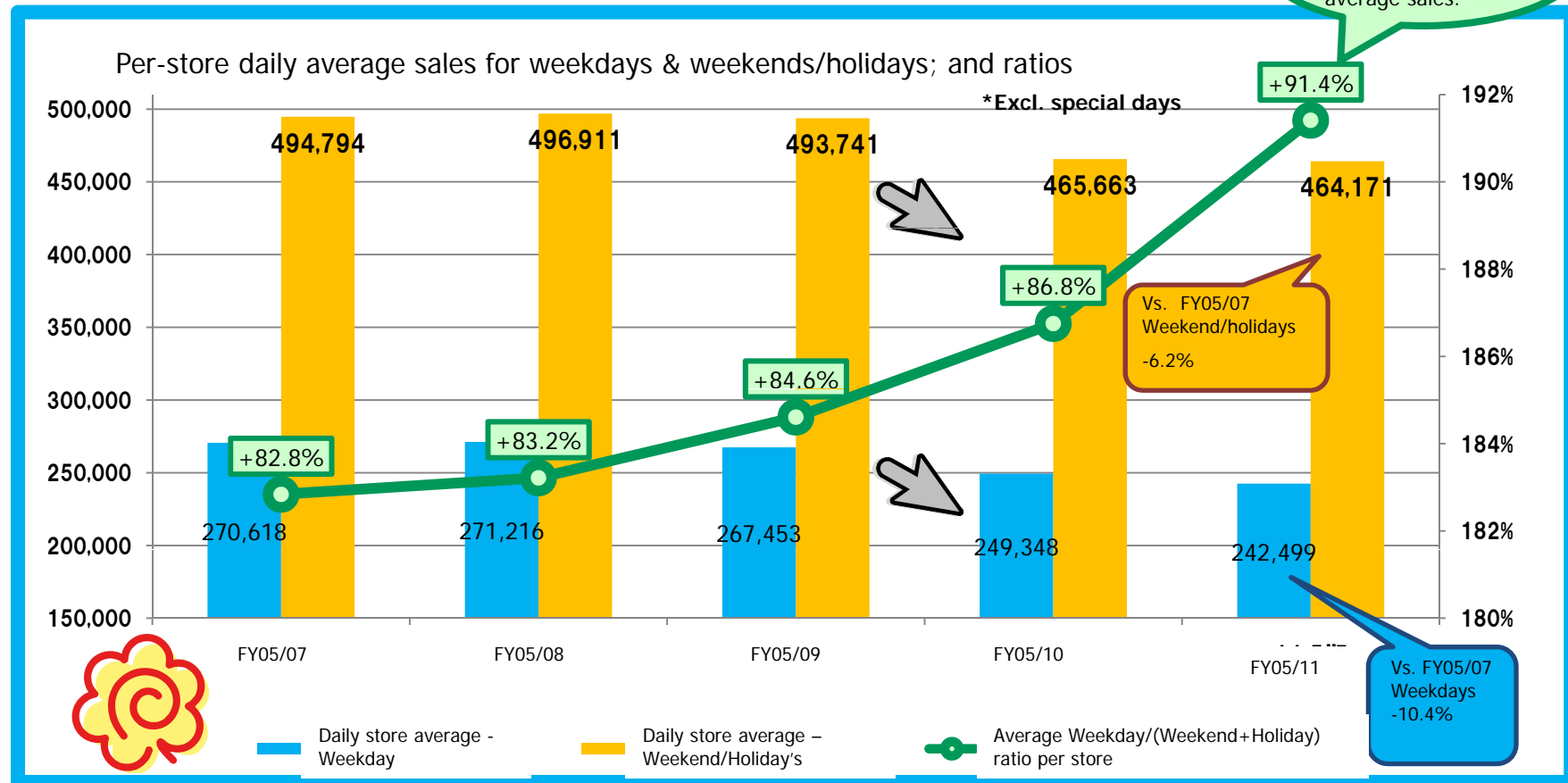
Year on Year Retail Sales at Existing Stores



Theme 1

Creating stores customers want to visit every day

Per-store daily average sales have been decreasing slightly over the last two FYs. There has been a growing gap in sales between weekends/ holidays and weekdays during this period.

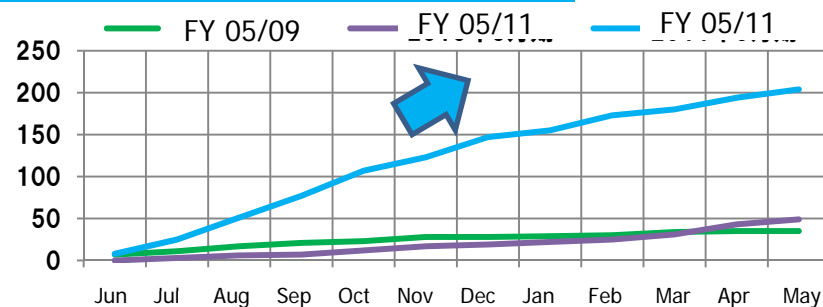


Theme 2

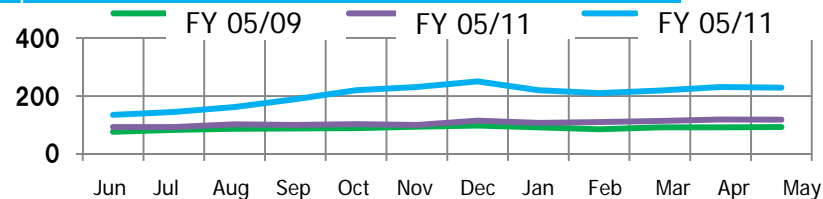
Enhancing variety through greater contribution to sales by internal sourcing team

While the number of suppliers increased by about fourfold YoY, the number of suppliers actually shipping to stores only doubled during the period.

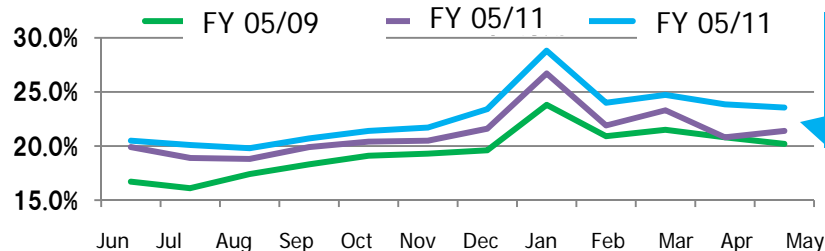
Increase in new supplier contracts



Numbers of suppliers shipping to stores over three periods



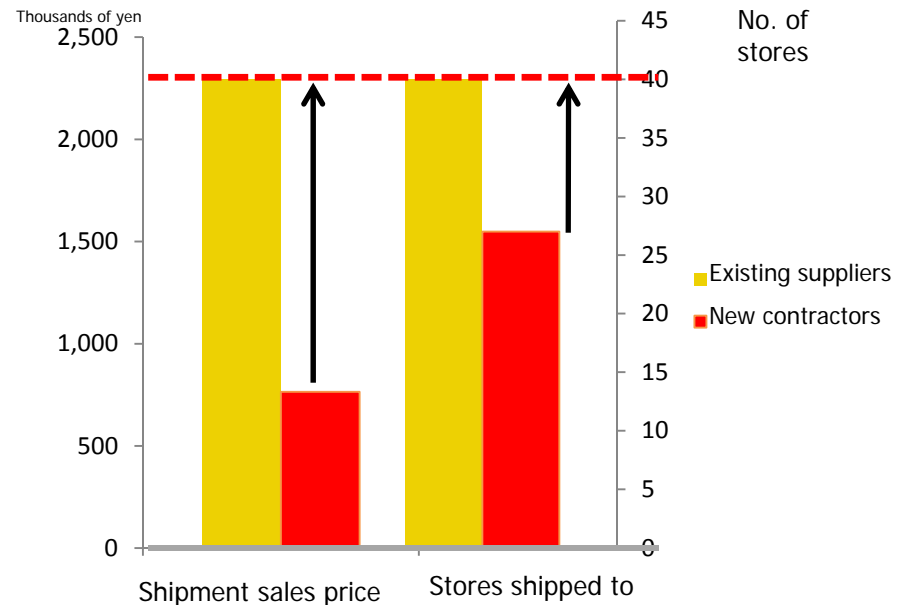
Internal sourcing team's share over three periods



Store sales are on a par with usual years. No significant increase has happened yet.

Monthly average value shipped per supplier and number of stores shipped to...

→Shipments of new contractors have not caught up with those of existing suppliers.



In the previous period, we focused on developing new suppliers. This should contribute to expanding the available choice of merchandise at each store and allow for greater differentiation between stores in this period.

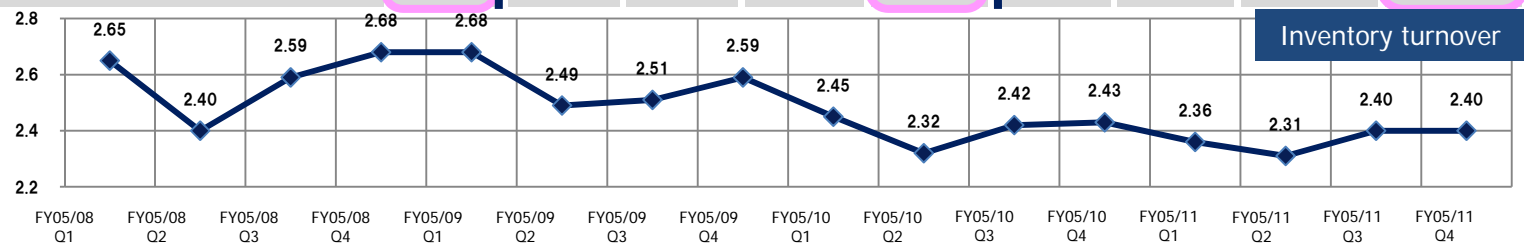
Theme 3

Inventory Control

Existing Store Inventory Trends

Inventory Turnover

(Million Yen)	FY05/09 Q4	FY05/10 Q1	FY05/10 Q2	FY05/10 Q3	FY05/10 Q4	FY05/11 Q1	FY05/11 Q2	FY05/11 Q3	FY05/11 Q4
Cash Flow From Operations	-669	-197	-173	380	1,756	-718	-523	-214	1,042
■ Net Income Before Tax	3,149	821	1,320	2,498	3,256	502	1,015	2,371	3,065
■ Net Increase (Decrease) in Inventories	-3,107	-770	-1,711	-1,048	-1,101	-605	-1,493	-1,112	-1,206
Existing stores	666	463	1,006	356	348	340	760	301	215
New stores	2,620	463	962	1,113	1,292	321	832	1,296	1,725
Other	-100	-129	-203	-339	-355	10	31	-287	-427
Valuation change	-79	-27	-55	-82	-183	-66	-132	-198	-306
■ Other	-711	-248	216	-1,070	-352	-615	-45	-1,473	-816
Cash Flow from Investment	-1,678	-145	-402	-479	-538	-138	-393	-558	-1,005
Cash Flow from Financing	2,383	20	78	491	-371	-227	-43	225	-542
Free Cash Flow	-2,347	-342	-576	-99	1,217	-856	-916	-772	37
Reference									
Number of existing stores (unit: stores)	219	226	254	261	272	282	284	283	292
Inventory change per existing store during the term	3.0	2.0	3.9	1.3	1.2	1.2	2.6	1.0	0.7

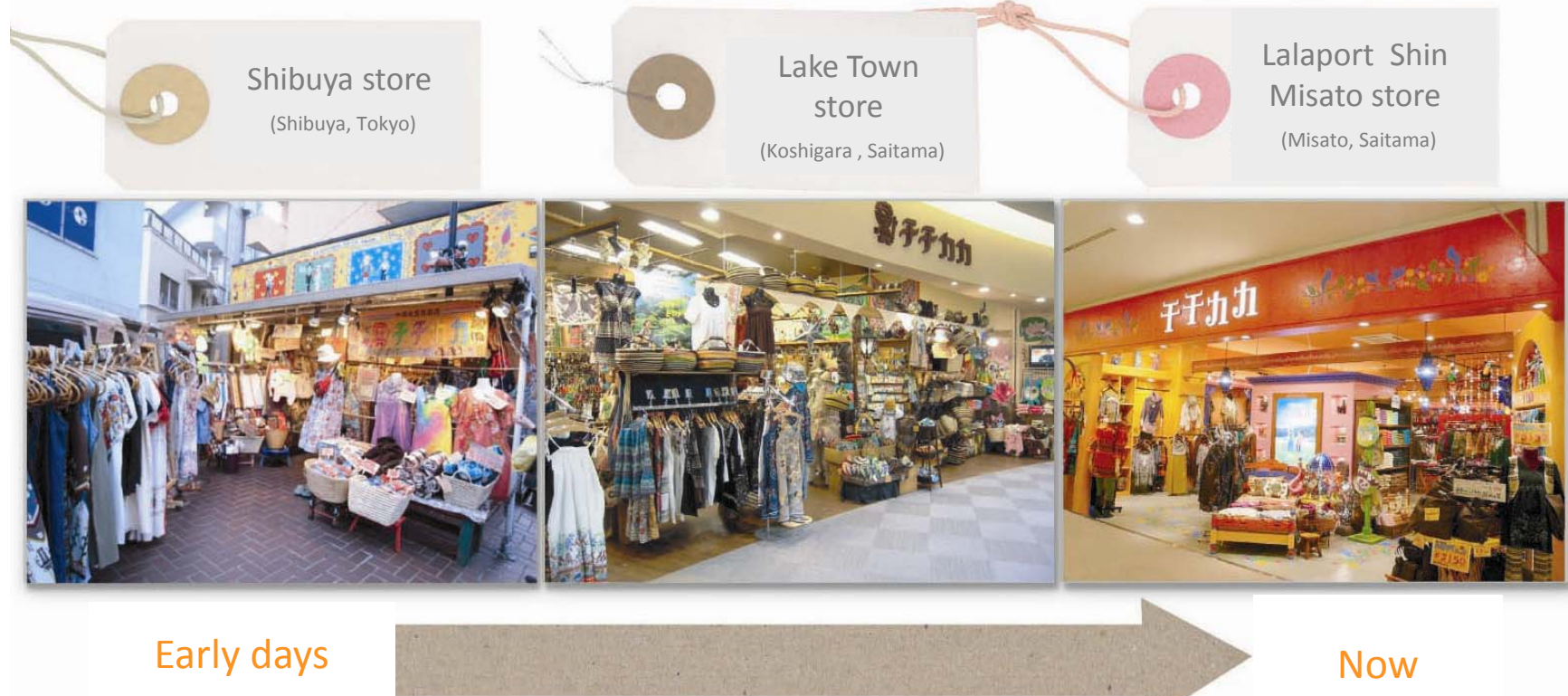


* Cash flows are unaudited and are calculated on a simplified basis

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Outside Titicaca Stores



Early days

Started as a folk art shop, with signs and store fixtures hand-made by staff, in order to replicate the feel of a South American market.

Warm, natural store interior, emphasizing colorful merchandise.

Now

Image of a Mexican resort hotel. An exciting store that makes visitors feel as if they are traveling.

Outside of New Stores



Abeno Q's Mall
Opened Apr 2011



Aeon Yamato
Opened May 2011



Niihama Aeon Mall
Opened May 2011

3.7% difference in operating profit margin between stores in shopping malls with floor space of 100 sq/m and above, and those below 100 sq/m



Focused on openings of larger and more profitable stores.

Abeno Store 169 sq/m, Yamato Store 188 sq/m,
Niihama Store 261 sq/m
(Average existing store size 99 sq/m)

Inside Titicaca Store

Apparel




Accessories



Silver Accessories





Titicaca - Results

Titicaca - Results



Income Statement: Met budget. FY05/11 sales 8.9% above plans, FY05/11 recurring profit 44.6% above plans.

Q3 and Q4 FY05/11 vs. Plan figures reflect performance vs. revised budgets.

Titicaca Income Statement (Million Yen)		FY05/10				FY05/11				FY05/12			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 Est.	Q2 Est.	Q3 Est.	Q4 Est.
Sales		361	474	416	467	579	720	630	626	826	1,091	943	947
Gross Profit		246	314	272	291	390	473	412	397	541	667	603	571
Operating Profit		23	55	-10	-2	66	114	53	3	98	140	74	12
Recurring Profit		20	50	-13	-8	60	110	47	2	96	133	66	5
Net Income		18	48	-14	12	26	54	25	-16	53	74	37	3
Sales YoY		43.6%	47.2%	35.9%	56.2%	60.2%	51.9%	51.4%	34.0%	60.2%	51.5%	49.7%	51.3%
Gross Profit YoY		32.6%	1107.7%	-	-	180.3%	50.6%	-	-	180.3%	41.0%	46.4%	43.8%
Operating Profit YoY		124.8%	111.5%	-	-	180.3%	107.3%	-	-	180.3%	22.8%	39.6%	300.0%
Recurring Profit YoY		143.6%	138.1%	-	-	202.8%	120.0%	-	-	202.8%	20.9%	40.4%	150.0%
Net Income YoY		125.6%	140.0%	-	-	41.4%	12.5%	-	-	41.4%	37.0%	48.0%	-
Gross Profit Margins		68.1%	66.2%	65.4%	62.3%	67.4%	65.7%	65.4%	63.4%	65.5%	61.1%	63.9%	60.3%
Operating Profit Margins		6.4%	11.6%	-	-	11.4%	15.8%	8.4%	0.5%	11.9%	12.8%	7.8%	1.3%
Recurring Profit Margins		5.5%	10.5%	-	-	10.4%	15.3%	7.5%	0.3%	11.6%	12.2%	7.0%	0.5%
Net Profit Margins		5.0%	10.1%	-	2.6%	4.5%	7.5%	4.0%	-	6.4%	6.8%	3.9%	0.3%
Sales vs Plan		-3.2%	-2.7%	-9.0%	1.5%	9.2%	12.0%	-2.3%	18.3%				
Gross Profit vs Plan		-1.5%	2.1%	-	-	8.3%	13.7%	-4.5%	26.4%				
Operating Profit vs Plan		16.9%	30.8%	-	-	88.6%	62.9%	-33.8%	-				
Recurring Profit vs Plan		24.7%	36.2%	-	-	130.8%	74.6%	-40.5%	-				
Net Income vs Plan		18.3%	27.4%	-	-	188.9%	54.3%	-30.6%	-				

Titicaca - Results



Sales vs. Budget Achieved

+8.9% vs. budget (+208 million yen)

* All figures are against accumulated budget from the beginning of the term to Q4.

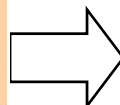
Existing stores: +5.3% (+86 million yen) New stores: +15.3% (+89 million yen)
Wholesale and FC sales: +23.3% (+32 million yen)

Store type	Amount vs. Budget	Breakdown
Existing stores	+86 million yen	Accumulated YoY sales resulted in +16.3% against plan, which estimated YoY sales of +9.4%.
New stores	+89 million yen	New stores opened in a greater number than planned, producing +67 million yen against plan. New stores opened in a greater number than planned, producing +22 million yen

SG&A Budgets Exceeded

+5.0% vs. budget (+68 million yen)

Major items	Vs. Budget (Million yen)
Store rent, promotion, etc.	+15.4
Commissions paid	+7.2
Advertising expenses	+3.8
Distribution expenses	+4.1
Depreciation expenses	+6.1
Labor costs	+11.0



-Sales performance-linked rent increased as store sales exceeded budget.
-Continued from Q3, both sales and distribution costs rose as the frequency of merchandise replacement in stores increased.
-Q4 comparable store sales for the online business +99.1%, resulting in increased advertising expenses.
-Number of new stores exceeded budget (plan: 8; actual: 15), resulting in higher labor costs

Improved Operating Profit Margin

OPM improved to **9.3%** from 3.8% last year

(1) Net increase of stores: **11** (2) Full year sales **+16.3%** YoY (3) Corporate overhead per store **-1.8%** YoY

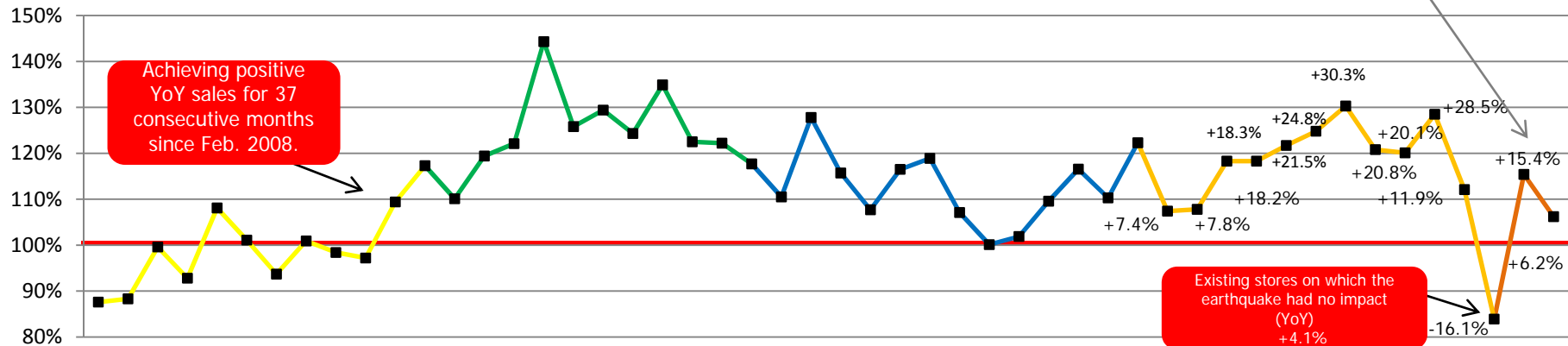
Titicaca - Results



Comparable store sales Cumulative through Q4 **+16.3%** YoY

FY03/12

Dedicated supervisor system established



* Different colors for each financial year

FY03/08	FY03/09	FY03/10	FY03/11
Group management started following M&A in May 2007	Area manager system established Achieved full year profitability	Management principles formulated Carry forward losses eliminated	Rebuilding corporate culture based on new management principles

Store Openings

Annual plan achieved.
Actual openings exceeded plan by **7 stores**.

	FY03/09 Results	FY03/10 Results	FY03/11 Plan			FY03/11 Result			FY03/12 Plan		
			1H	2H	Full year	1H	2H	Full year	1H	2H	Full year
Store openings	12	16	4	4	8	5	10	15	9	10	19
Store closures	7	1	3	0	3	2	2	4	0	1	1

6 new stores opened as of end -June 2011 out of 9 planned for 1H FY03/12

Village Vanguard (Hong Kong) Limited

Company Profile

(Consolidated from FY05/11)

Inside Stores (VVHK)

VILLAGE/VANGUARD



Village Vanguard Hong Kong - Results

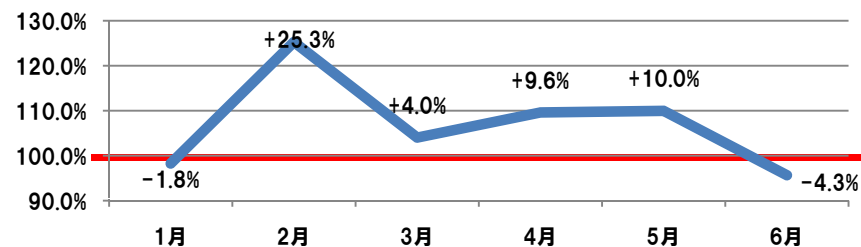
Q3 and Q4 FY05/11 Versus Plan figures reflect performance vs. revised budgets.

(Million Yen)	FY05/11(Actual)			
	Q1	Q2	Q3	Q4
Sales	36	59	90	118
Versus Plan(%)	-29.6	-42.1	-0.3	+1.7
Gross Profit	15	25	39	48
Versus Plan(%)	-32.1	-44.3	-1.5	-5.9
Operating Profit	-10	-26	-31	-43
Versus Plan(%)	+18.2	-34.6	+14.9	+6.9
Recurring Profit	-10	-26	-31	-43
Versus Plan(%)	+15.3	-34.7	+14.9	+6.9
Net Income	-10	-29	-33	-45
Versus Plan(%)	+15.3	-40.0	+14.1	+6.6

(Million Yen)	FY05/12 (Forecast)			
	Q1	Q2	Q3	Q4
Sales	32	62	103	132
YoY(%)	-11.6	+5.6	+14.2	+12.4
Gross Profit	13	25	42	54
YoY(%)	-15.8	+0.9	+8.9	+12.4
Operating Profit	-8	-16	-23	-32
YoY(%)	-	-	-	-
Recurring Profit	-8	-16	-23	-32
YoY(%)	-	-	-	-
Net Income	-8	-16	-23	-32
YoY(%)	-	-	-	-

YoY Sales at Existing Stores

* The number of existing store as of May 2011 was only one: the Dragon Center.



【Store Openings】

■ 3 DM...
(※As of May 2011)

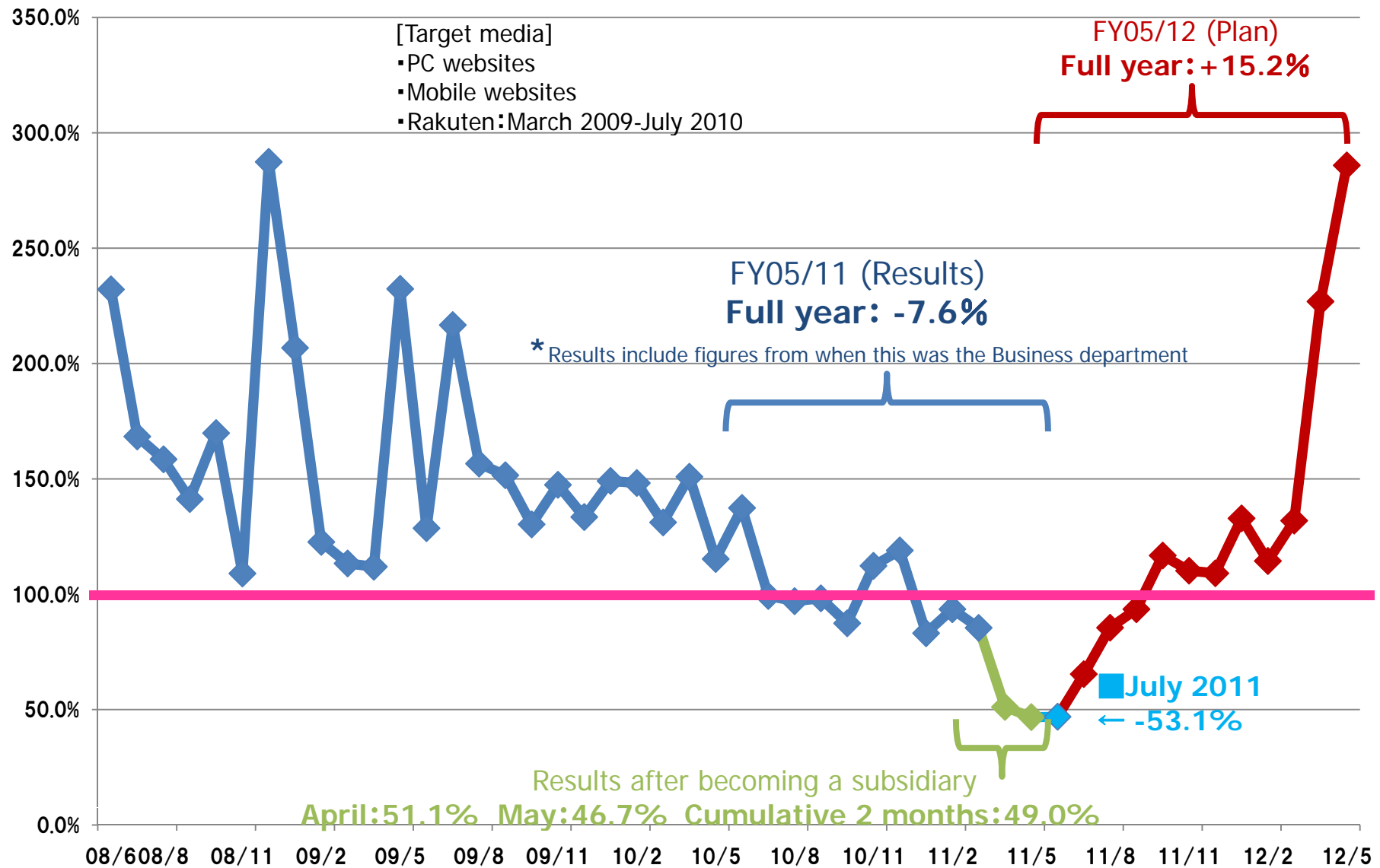
■ Store Opening Plans
1 New Store
※Road Store(HK Island, Sep)



Village Vanguard Webbed Limited

(Consolidated from FY05/11 Q4)

Online sales YoY (*based on customer orders)



Results and estimates

(Million yen)

Income Statement	FY05/11 Actual	FY05/12 Plan			
	Q4	Q1	Q2	Q3	Q4
Sales	11.6	27.3	68.8	141.1	195.2
vs Plan (%)	-	-	-	-	-
YoY (%)	-	-	-	-	1685.2
Gross Profit	2.6	4.5	11.4	22.9	31.8
vs Plan (%)	-	-	-	-	-
YoY (%)	-	-	-	-	1246.0
SG&A	5.0	5.1	10.6	16.0	21.4
vs Plan (%)	-	-	-	-	-
YoY (%)	-	-	-	-	432.1
Operating Profit	-2.4	-0.6	0.8	7.0	10.4
vs Plan (%)	-	-	-	-	-
YoY (%)	-	-	-	-	-
Recurring Profit	-2.8	-1.2	-0.4	5.1	8.0
vs Plan (%)	-	-	-	-	-
YoY (%)	-	-	-	-	-
Net Income	-12.5	-1.2	-0.4	4.9	13.7
vs Plan (%)	-	-	-	-	-
YoY (%)	-	-	-	-	-

*Because the company was established in March 2011 and began operation in April, results for Q4 FY05/11 are based on March–May for SG&A, and April–May for sales.

Concept and future strategy for the new site

To promote competition within the website and enhance product variety by creating a website where users can freely sell goods.

