

Q1 FY05/10 Results Presentation Materials



Notes

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.

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Titicaca Co., Ltd.

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VV Corporate Overview

Corporate Overview



- Name Village Vanguard Corporation
- Business Retail concept mixing books, SPICE (variety goods), and new media (CDs, DVDs) under the motto “Bookstore where you can have fun”
- Main Office 12-1 Kamikamoda Nagakuteaza Nagakute-cho Aichi-gun Aichi
Tel 0561-63-3031
- Representative Director Keiichi Kikuchi
- Incorporated May 1998 (Business Started: November 1986)
- Capital 2,242,489 Thousand Yen (As of End May 2009; Consolidated)
- Sales 33,226 Million Yen (Same as Above)
- Recurring Profit 3,171 Million Yen (Same as Above)
- Net Income 1,701 Million Yen (Same as Above)
- Number of Stores 360 Stores (329 Directly Managed Stores and 31 FC Stores)(As of End August 2009; Consolidated)
- No of Employees 300 Full Time and 2,032 Part-Time Staff (Same as Above)

【 Raison D'être 】

Our name is Village Vanguard and we are offering our customers a creative space that never existed before. Our customers will probably always demand from us to develop this unique space with power and grace.

We cannot stand still. A lot is expected from us.

【 Code of Conduct 】

1. The friends are the source of strength of Village Vanguard.
2. We are generous with gratitude and we pay the utmost respect to independence and progress of individuals.
3. The customer is always the highest position. We should not forget it even for a moment.
4. We will always continue to undertake difficult and bold missions.
5. We are creating a group of specialty stores that produce excitement and do not rely on conventional chain store operation wisdom.

Business Introduction

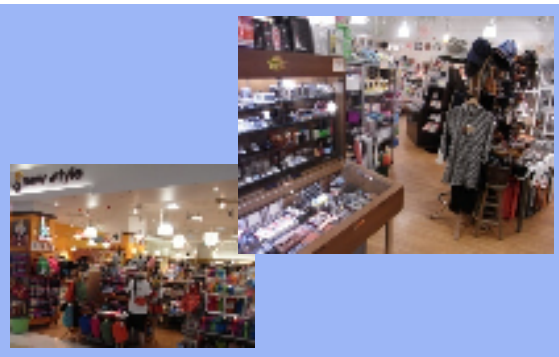


↑ Standalone Store

← Shopping Mall Store

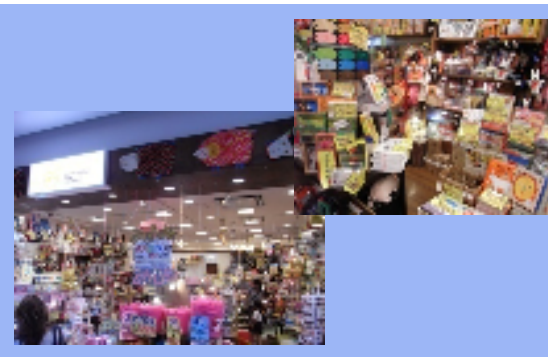
■ Village Vanguard

Based on concept “Bookstore where you can have fun”. Combination of books, variety goods, CDs and other products are presented from an original point of view.



■ new style

Targeting lifestyle conscious 30 year olds, this concept is pursuing a unique identity together with its customers.



■ QK

「Exciting book store for kids」
Kids need kids' entertainment which is not just toys.



■ Diner

Hamburger shop modeled after an American diner.



■ Online

Offering hassle free fun of shopping at VV. Around 2,500 selected items (books, variety goods, CDs). Popular for its free shipping, loyalty programs and differentiated services.

We offer our merchandise by creating original spaces in various locations inside a store, entertaining customers.



■ “Liquor” Themed Corner.

Product Development 2



Product Selection

We choose merchandise store by store, looking at our customers. Most popular items also differ from store to store.

	Shinjuku Lumine Store	America-Mura Store	Fukuoka Daimyo Store	Rest of Japan
★Sign='Store Manager Recommends'				
Books	1) Lover's Diary 2) Meals I want to cook for Him 3) the blue day book ★ Shikisoku Generation 	1)Dying in the Gutter Deluxe 2)Only papa is my free bird 3) Oyasumi PunPun Vol. 4 ★ \$3M to Early Risers 	1) Go Go!! Mook Video MAX 2) Cute Girl's Exercise Book 3) 10-Minute Meal ★ Lone Samurai's Gourmet 	1) 1Q84 2) Collection Of Obama Speeches 3) Dreams Come True Elephant 
NM	1) Jazzin' for Ghibli 2)OUTLET HITS!! 3)PRETAPORTER ★Beautiful Field 	1)Bon Voyage Lovers 2)Volta Masters At Work 3)SWEETS HOUSE ★THE STEVE-O DVD BOX 	1) First Contact 2) Beatles Reggae 3) Michael Jackson Live DVD ★Live at the Harlem Square 	1)EXILE LOVE/EXILE 2)BEST FICTION/Namie Amuro 3)5296/Kobukuro 
SPICE	1) Earphone (Dreams) 2) Film camera styled digital camera case 3) Manmaru Mug ★ SoundTits 	1)R/C Tissue Box 2)Shoyu-Koto Soy Sauce Bottle 3) Electric Bug Zapper Racket ★ T-Shirt w/ American Characters (Am...) 	1) Multi Purpose Wooden Rack 2)Nagashi-Somen Noodles Made Easy 3) Singing &Dancing Cat ★ Japanese Sword 	1)Wii Fit 2) BB Cream 3) Fresh Caramel 

Purchasing and sales authority is delegated to a store level

【Marketing】

Explore customer needs at individual store level

【Purchasing】

■ Direct reflection of customer needs

■ Attempt to uncover new customer needs independently

【Merchandising】

Offer customers creative space based on ideas from store staff, such as POP, corner design, displays etc.

Store managers determine each store execution

【P.27】
Theme 2
“Issues”

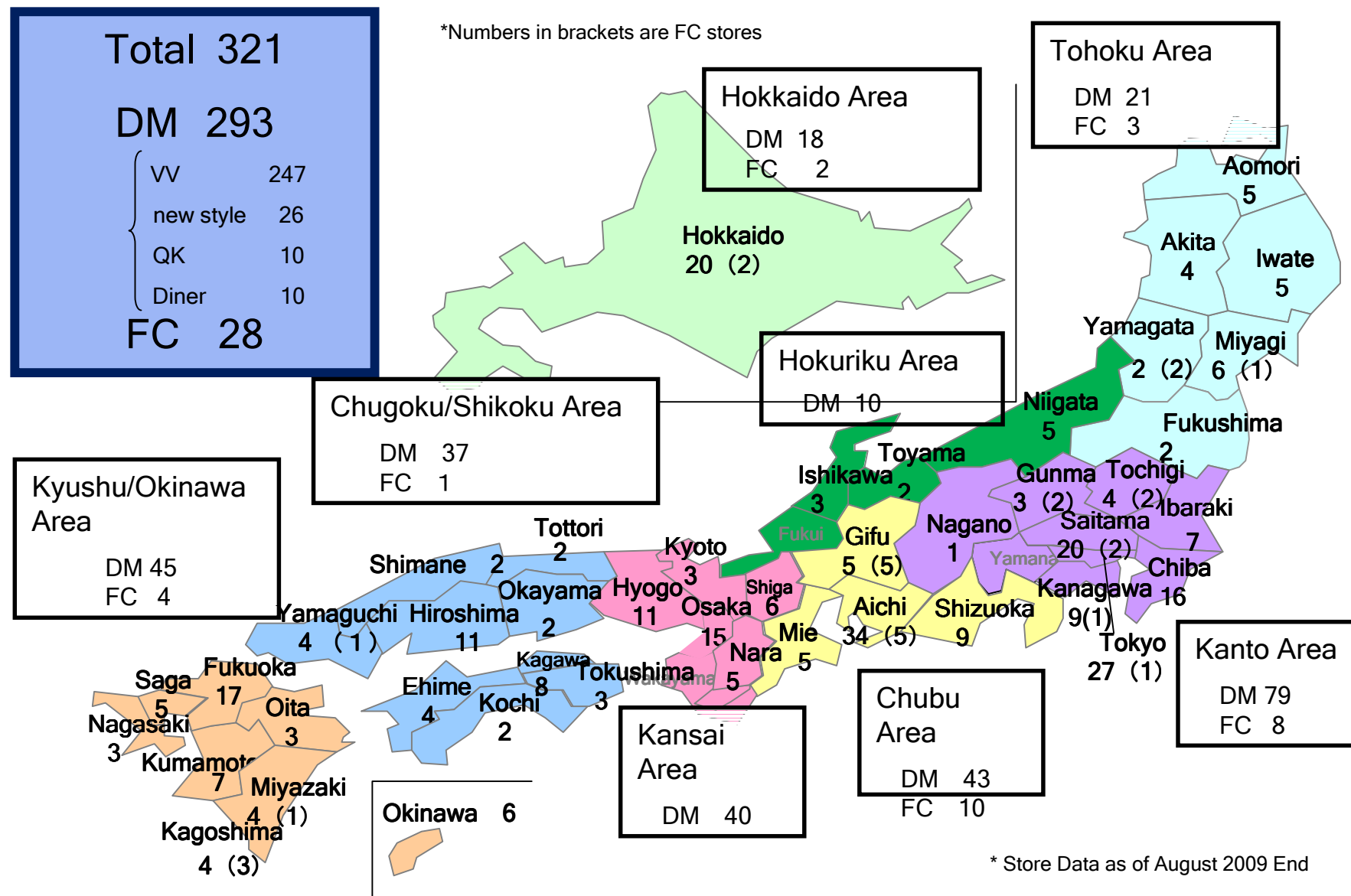
Create in real time original stores that respond to unique local customer needs

Create exciting “OFFER” at each store to drive purchasing decisions and build fan base



- Secure staff with deep understanding of the company
- Give part-time staff purchasing authority
- Perform long term on-the-job training (OJT)

Store Openings(Parent)



Financial Results Parent (VV)

Income Statement



(Million Yen)

	FY05/08 (Actual Results)				FY05/09 (Actual Results)				FY05/10 (Actual Results and Forecasts)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 (Actual)	Q2 (Forecast)	Q3 (Forecast)	Q4 (Forecast)
Sales	6,118	12,047	19,761	26,859	7,096	14,240	23,678	32,075	8,271	15,980	25,950	35,879
As % of Forecast	-	-	-	-	-	-	-	-	1.2	-	-	-
YoY (%)	23.6	22.0	19.7	18.5	16.0	18.2	19.8	19.4	16.5	12.2	9.6	1.9
SG&A	1,703	3,581	5,567	7,596	2,092	4,613	7,199	9,821	2,567	5,195	8,020	11,005
As % of Forecast	-	-	-	-	-	-	-	-	1.3	-	-	-
YoY (%)	21.6	20.7	20.4	19.5	22.8	28.8	29.3	29.3	22.0	12.6	11.4	12.1
Labor Cost	756	1,566	2,393	3,240	911	1,913	2,965	4,064	1,137	2,339	3,553	4,785
As % of Forecast	-	-	-	-	-	-	-	-	-1.7	-	-	-
YoY (%)	17.8	19.3	17.9	18.6	20.5	22.2	23.9	25.4	24.8	22.2	19.8	17.8
Rental Expenses	488	986	1,609	2,189	584	1,184	1,965	2,670	705	1,309	2,098	2,874
As % of Forecast	-	-	-	-	-	-	-	-	6.1	-	-	-
YoY (%)	23.5	23.5	22.8	22.5	19.7	20.0	22.1	22.0	5.6	10.6	6.7	7.6
Depreciation	62	129	199	275	67	158	260	367	95	205	314	436
As % of Forecast	-	-	-	-	-	-	-	-	-3.3	-	-	-
YoY (%)	10.3	6.4	4.6	4.0	8.1	23.0	30.8	33.3	42.0	29.2	20.8	18.7
Operating Profit	680	1,239	2,310	3,043	729	1,088	2,240	3,125	784	1,244	2,427	3,452
As % of Forecast	-	-	-	-	-	-	-	-	3.6	-	-	-
YoY (%)	41.0	41.5	33.0	24.8	7.3	-12.2	-3.0	2.7	7.4	14.3	8.4	10.5
Recurring Profit	693	1,277	2,373	3,129	758	1,141	2,314	3,200	806	1,274	2,472	3,507
As % of Forecast	-	-	-	-	-	-	-	-	4.9	-	-	-
YoY (%)	40.8	40.2	33.2	24.9	9.3	-10.7	-2.5	2.3	10.5	11.7	6.8	9.6
Net Income	386	712	1,336	1,639	418	626	1,263	1,766	455	713	1,384	1,964
As % of Forecast	-	-	-	-	-	-	-	-	5.8	-	-	-
YoY (%)	33.9	42.4	28.7	18.7	8.3	-12.0	-5.5	7.8	8.8	13.9	9.6	11.2

Balance Sheet



(Million Yen)

	FY05/08 (Actual Results)				FY05/09 (Actual Results)				FY05/10 (Actual Results and Forecasts)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 (Actual)	Q2 (Forecast)	Q3 (Forecast)	Q4 (Forecast)
Current Assets	12,972	14,725	14,604	15,310	15,839	17,742	18,323	18,895	19,461	20,098	20,004	21,156
As % of Total	79.6	81.1	81.0	81.4	81.4	79.8	80.4	80.2	80.6	81.3	81.4	81.7
Cash and Deposits	1,976	2,770	2,632	2,938	2,692	2,259	2,907	2,973	2,651	2,186	2,243	2,888
As % of Total	12.1	15.3	14.6	15.6	13.8	10.1	12.8	12.6	10.9	8.8	9.1	11.2
Inventory	9,284	10,385	10,406	10,456	10,877	13,223	13,357	13,563	14,334	15,317	15,170	15,614
As % of Total	56.9	57.2	57.8	55.6	55.9	59.4	58.6	57.6	59.2	61.9	61.7	60.3
Other Current Assets	1,711	1,569	1,565	1,915	2,268	2,260	2,058	2,357	2,476	2,594	2,590	2,653
As % of Total	10.5	8.6	8.6	10.2	11.7	10.2	9.0	10.0	10.3	10.4	10.5	10.2
Fixed Assets	3,331	3,441	3,415	3,506	3,608	4,483	4,474	4,652	4,696	4,605	4,542	4,672
As % of Total	20.4	18.9	19.0	18.6	18.6	20.2	19.6	19.8	19.4	18.6	18.4	18.0
Current Liabilities	4,814	5,957	5,329	5,859	6,309	8,059	6,567	7,142	7,641	7,721	6,654	7,874
As % of Total	29.5	32.8	29.6	31.1	32.4	36.3	28.8	30.3	31.6	31.2	27.1	30.4
Fixed Liabilities	1,780	2,176	2,032	1,995	1,811	2,632	4,058	3,730	3,440	3,562	3,780	3,401
As % of Total	10.9	12.0	11.3	10.6	9.3	11.8	17.8	15.9	14.2	14.4	15.4	13.1
Shareholders Capital	9,708	10,034	10,658	10,961	11,326	11,534	12,171	12,674	13,076	13,441	14,133	14,610
As % of Total	59.5	55.2	59.1	58.3	58.2	51.9	53.4	53.8	54.1	54.4	57.5	56.4
Total Assets	16,303	18,167	18,020	18,816	19,447	22,226	22,797	23,547	24,158	24,725	24,568	25,886
As % of Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Cash Flow



(Million Yen)

	FY05/08 (Actual Results)				FY05/09 (Actual Results)				FY05/10 (Actual Results and Forecasts)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 (Actual)	Q2 (Forecast)	Q3 (Forecast)	Q4 (Forecast)
Cash Flow from Operating Activities	-586	459	328	1,076	-393	-565	-1,694	-669	-197	157	576	1,237
Changes in Inventory	45	-1,055	-1,076	-1,126	-421	-2,766	-2,900	-3,107	-770	-1,753	-1,606	-2,050
Other	-632	1,515	1,405	2,203	27	2,201	1,206	2,437	572	1,910	2,182	3,287
Cash Flow from Investing Activities	161	-74	-147	-306	-225	-1,102	-1,379	-1,678	-145	-232	-301	-584
Capital Expenditures	-12	-157	-190	-319	-118	-757	-877	-1,072	-83	-143	-183	-303
Other	174	83	43	12	-106	-344	-502	-605	-62	-89	-118	-281
Cash Flow from Financing Activities	412	398	463	181	372	990	3,044	2,383	20	-14	493	-263
Increase in Cash and Equivalents	-11	782	644	950	-245	-678	-31	35	-322	-89	-384	389
Period Beginning Amount	1,967	1,967	1,967	1,967	2,918	2,918	2,918	2,918	2,953	2,953	2,953	2,953
Period End Amount	1,956	2,750	2,612	2,918	2,672	2,239	2,887	2,953	2,631	2,864	2,569	3,343
Free Cash Flow	-425	385	181	770	-619	-1,667	-3,073	-2,347	-342	133	275	653

Results Trend

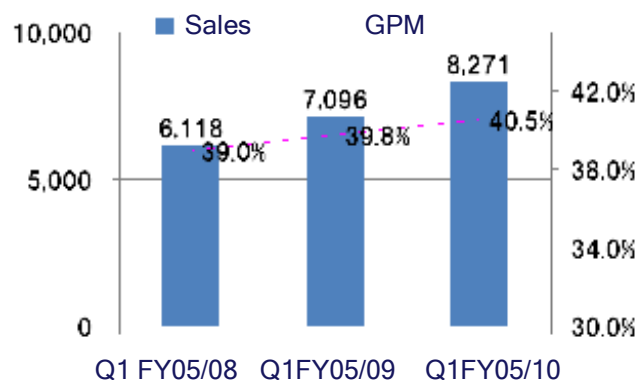


(Million Yen)

	FY05/08 (Actual Results)				FY05/09 (Actual Results)				FY05/10 (Actual Results and Forecasts)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 (Actual)	Q2 (Forecast)	Q3 (Forecast)	Q4 (Forecast)
Sales	6,118	12,047	19,761	26,859	7,096	14,240	23,678	32,075	8,271	15,980	25,950	35,879
As % of Sales	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gross Profit	2,383	4,821	7,878	10,639	2,821	5,701	9,440	12,946	3,351	6,439	10,448	14,457
As % of Sales	39.0	40.0	39.9	39.6	39.8	40.0	39.9	40.4	40.5	40.3	40.3	40.3
Operating Profit	680	1,239	2,310	3,043	729	1,088	2,240	3,125	784	1,244	2,427	3,452
As % of Sales	11.1	10.3	11.7	11.3	10.3	7.6	9.5	9.7	9.5	7.8	9.4	9.6
Recurring Profit	693	1,277	2,373	3,129	758	1,141	2,314	3,200	806	1,274	2,472	3,507
As % of Sales	11.3	10.6	12.0	11.7	10.7	8.0	9.8	10.0	9.8	8.0	9.5	9.8
Net Income	386	712	1,336	1,639	418	626	1,263	1,766	455	713	1,384	1,964
As % of Sales	6.3	5.9	6.8	6.1	5.9	4.4	5.3	5.5	5.5	4.5	5.3	5.5
ROA (%)	-	※14.4	-	17.3	-	※10.6	-	14.8	-	※10.2	-	13.9
ROE (%)	-	※15.4	-	16.9	-	※11.1	-	14.9	-	※11.0	-	14.4

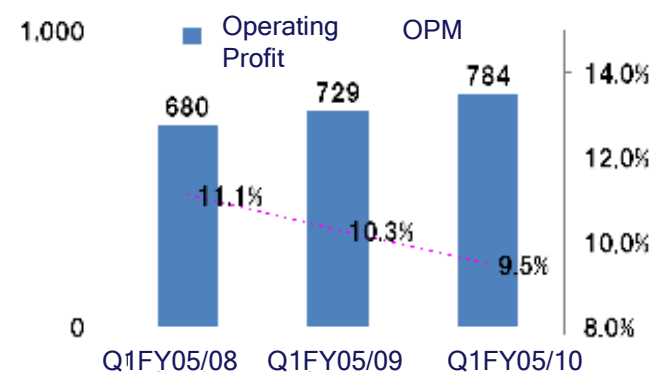
(Million)

■ Sales, Gross Profit Margins



(Million)

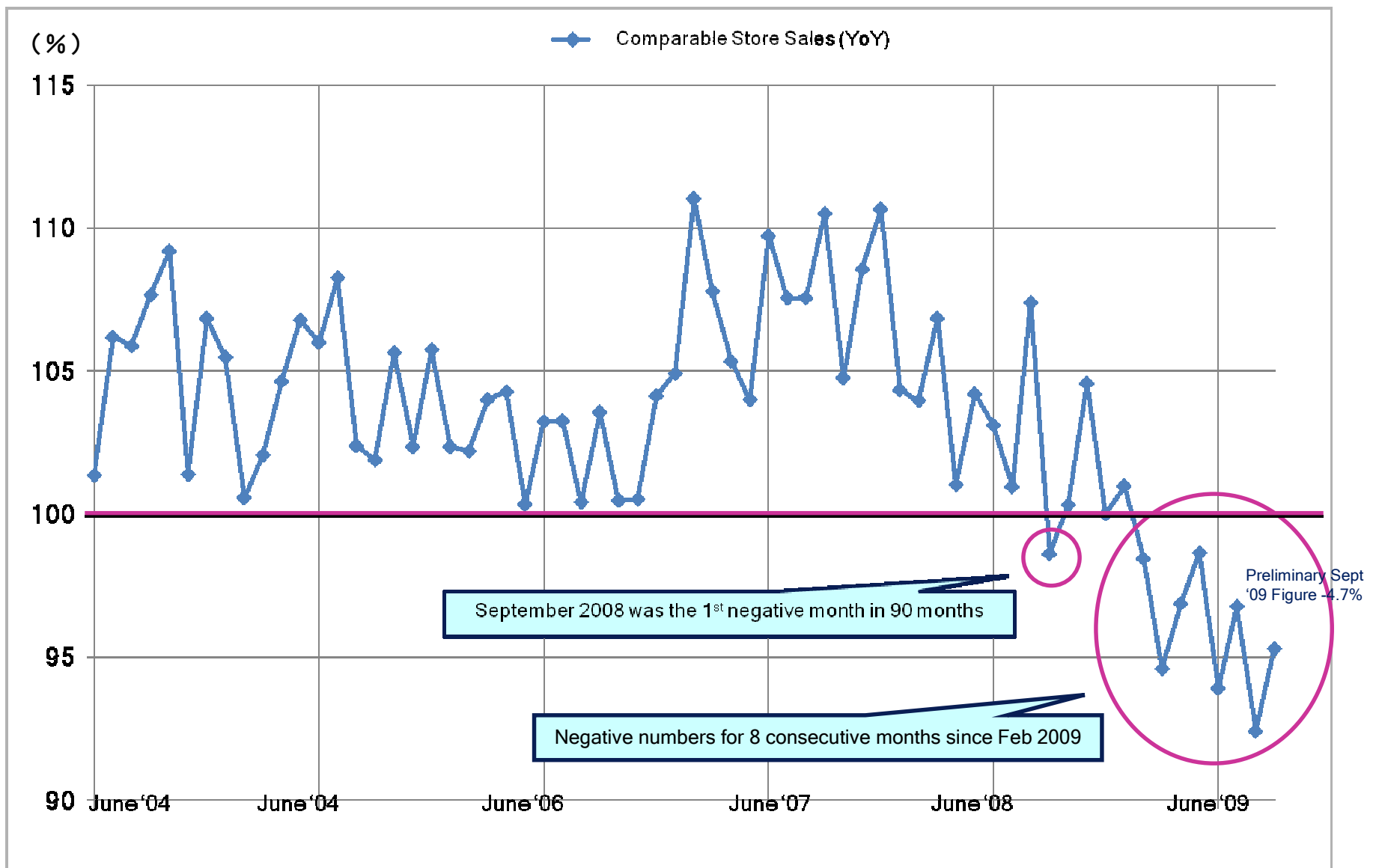
■ Operating Profit, Operating Profit Margins



Note: 2FY05/10 ROA and ROE are derived by multiplying by 2x the OP and NI numbers (thus annualizing them).

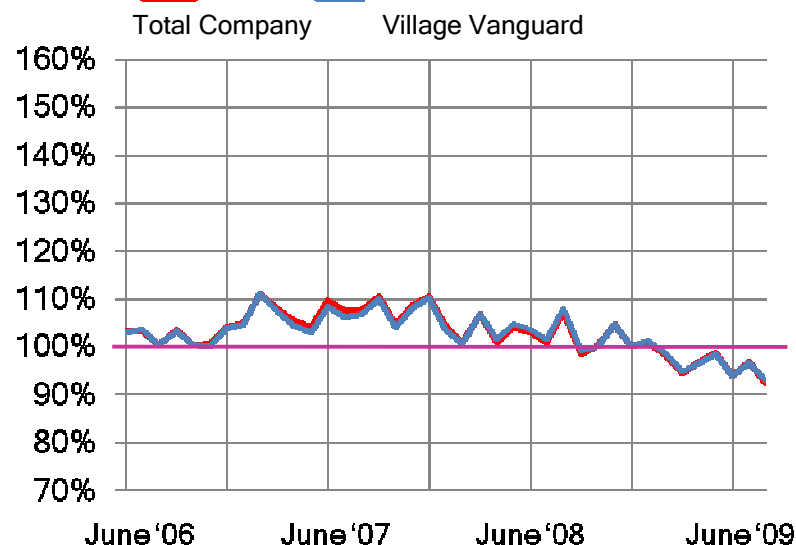
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Comparable Store Sales

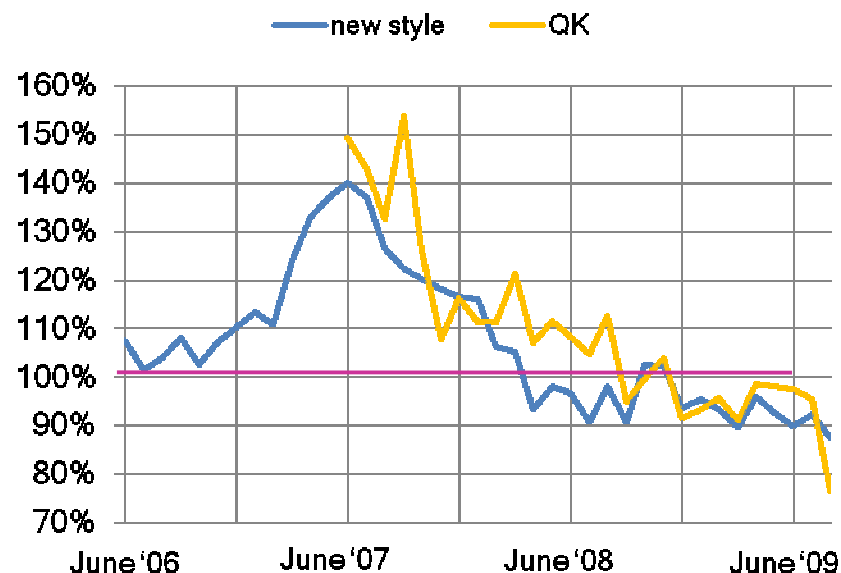


Comparable Store Sales by Format (1)

■ Village Vanguard Comparable Store Sales YoY



■ new style/QK Comparable Store Sales YoY



■ Sales by Format (Total Company/Village Vanguard/new style/QK)

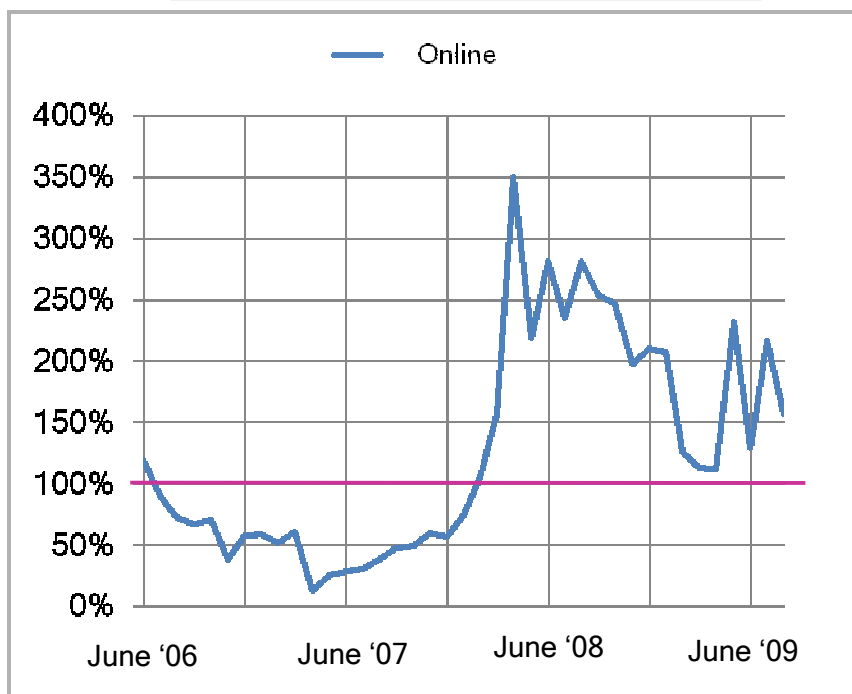
(Million Yen)

	FY05/08				FY05/09				FY05/10			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total Company	5,412	10,761	17,878	24,363	6,442	12,483	20,268	27,134	6,734			
YoY (%)	8.2	8.1	7.2	6.4	3.9	2.5	1.5	0.2	-5.7			
Village vanguard	5,064	10,065	16,625	22,585	5,964	11,493	18,538	24,787	6,110			
YoY (%)	7.1	7.3	6.6	6.0	4.5	2.9	1.8	0.4	-5.7			
new style	270	535	944	1,318	351	703	1,185	1,555	373			
YoY (%)	34.1	26.8	20.7	13.6	-4.8	-3.1	-4.3	-5.1	-10.3			
QK	20	47	124	189	67	146	251	347	105			
YoY (%)	40.8	30.0	19.1	17.1	8.5	3.7	-1.0	-2.0	-12.5			

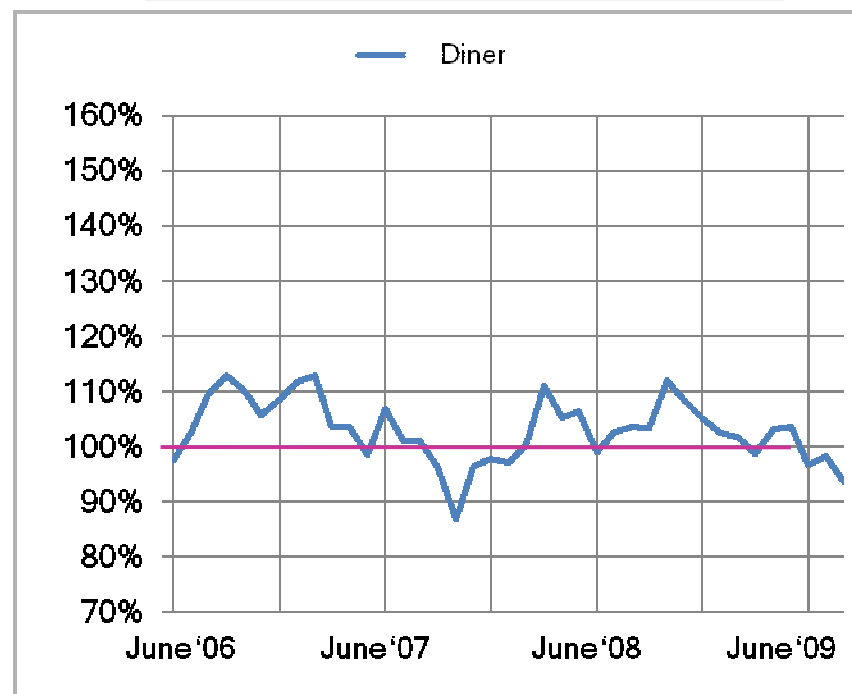
Note; YoY sales are as of end of each quarter

Comparable Store Sales by Format (2)

■ Online "Comp Sales" YoY



■ Diner Comparable Store sales YoY



■ Sales by Format (Online / Diner)

(Million Yen)

	FY05/08				FY05/09				FY05/10			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Online	11	27	57	92	32	71	132	181	53			
YoY (%)	-68.4	-59.4	-46.7	-24.4	166.5	146.3	111.8	85.7	63.4			
Diner	57	113	184	269	78	159	251	354	92			
YoY (%)	3.1	-2.1	-1.9	0.9	1.7	4.7	4.1	3.4	-3.8			

Notes: YoY sales are as of end of each quarter. Online sales are the total selling price to final consumers, not our net booked sales

Sales by Product Genre



(Million Yen)

		FY05/08				FY05/09				FY05/10			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SPICE		4,304	8,381	13,927	18,938	5,109	10,352	17,454	23,764	6,193			
As % of Total		70.3	69.5	70.5	70.5	72.0	72.7	73.7	74.1	74.9			
Of which HQ sourcing Team		733	1,578	2,788	3,898	1,180	2,512	4,516	6,254	1,578			
As % of Total		12.0	13.1	14.1	14.5	16.6	17.6	19.1	19.5	19.1			
Of which External Suppliers		3,570	6,803	11,139	15,039	3,928	7,839	12,937	17,510	4,614			
As % of Total		58.3	56.4	56.4	56.0	55.4	55.1	54.6	54.6	55.8			
Books		1,025	2,013	3,131	4,175	1,038	2,079	3,250	4,337	1,045			
As % of Total		16.8	16.7	15.8	15.6	14.6	14.6	13.7	13.5	12.6			
NM (New Media)		673	1,416	2,330	3,228	810	1,533	2,530	3,331	844			
As % of Total		11.0	11.8	11.8	12.0	11.4	10.8	10.7	10.4	10.2			
Other		115	235	372	516	139	274	442	641	189			
As % of Total		1.9	2.0	1.9	1.9	2.0	1.9	1.9	2.0	2.3			
Total		6,118	12,047	19,761	26,859	7,096	14,240	23,678	32,075	8,271			
As % of Total		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			

Sales by Store Age

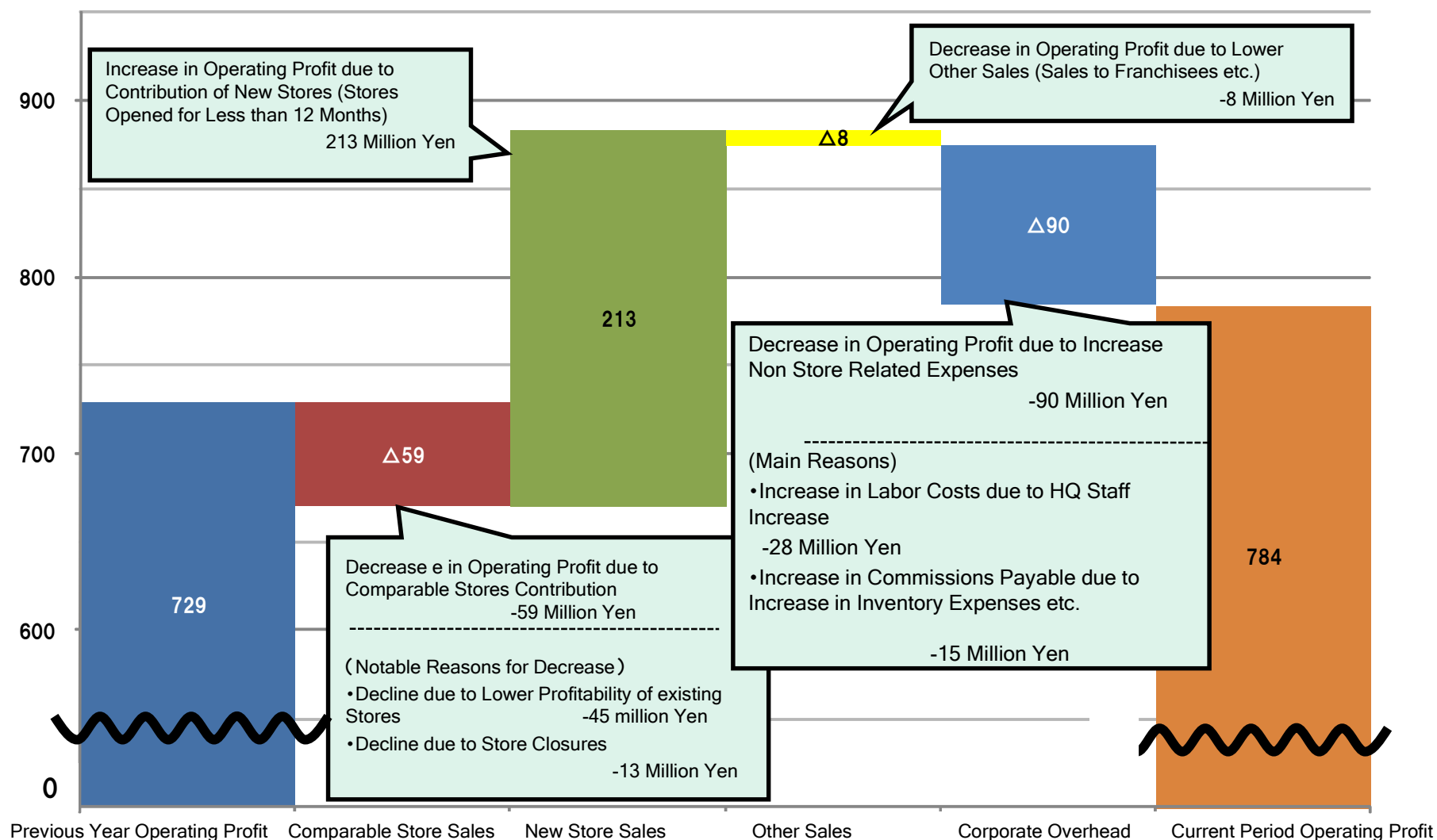


Store Age	>5 Years	4-5 Years	3-4 Years	2-3 Years	1-2 Years	<1 Year
Number of Stores *	93	34	41	30	33	62
Sales Growth YoY (%)	-7.6	-4.6	-4.3	-2.5	-5.3	-

Note: Mobile stores and closed stores are not included

Operating Profit Analysis

(Million Yen)



Note: The period for determination and calculation of comparable and new store sales is monthly.

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Store Opening Plan



	FY05/08 Actual Results	FY05/09 Actual Results	FY05/10 Actual Results and Forecasts					
	FY	FY	Q1 Actual	Q1 Fore cast	Q2 Forecast	Q3 Forecast	Q4 Forecast	FY Forecast
Openings	27	59	11	8	5(7)	1(5)	6(13)	20(33)
Village Vanguard	22	42	9	8	5(6)	1(4)	6(12)	20(30)
new style	3	8	1	0	0	0	0	0
QK	1	5	0	0	0	0	0	0
Diner	1	4	1	0	0(1)	0(1)	0(1)	0(3)
Closures	5	6	1	0	1	0	0	1
Village Vanguard	5	6	1	0	1	0	0	1
new style	0	0	0	0	0	0	0	0
QK	0	0	0	0	0	0	0	0
Diner	0	0	0	0	0	0	0	0

Note: For FY05/10 forecast, the newly revised numbers of stores are shown in red and the previous forecasts (made at Q4 FY05/09 results announcement) are shown in brackets next to the new numbers.

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Problems and Solutions

Developing Merchandising Capabilities



We were not developing merchandising capabilities needed to identify emerging customer needs

Excessive reliance on similar popular items leads to all stores becoming the same



Ability of each store to offer a unique merchandising view, a core strength of VV, is weakened.

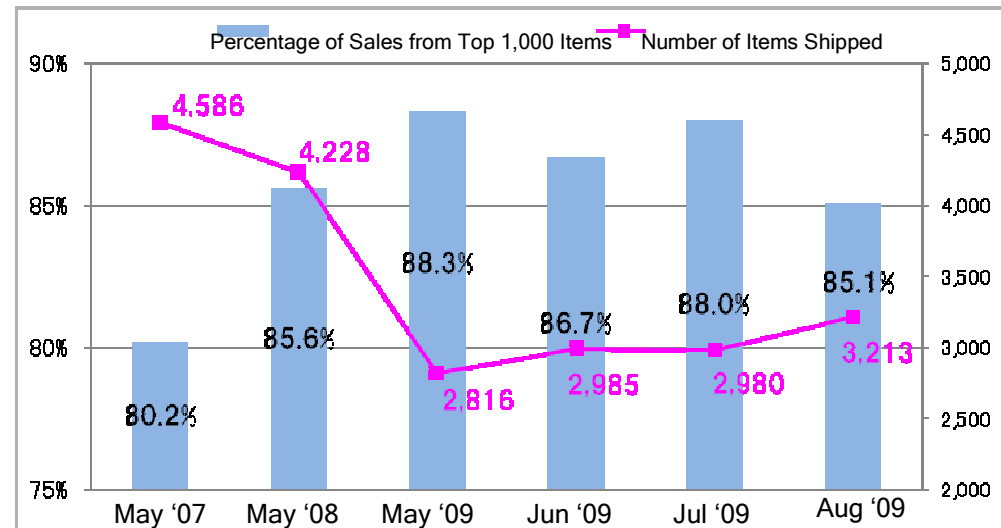


Resulting in failure to trigger the purchasing decision and betrayal of customer expectations



Lower

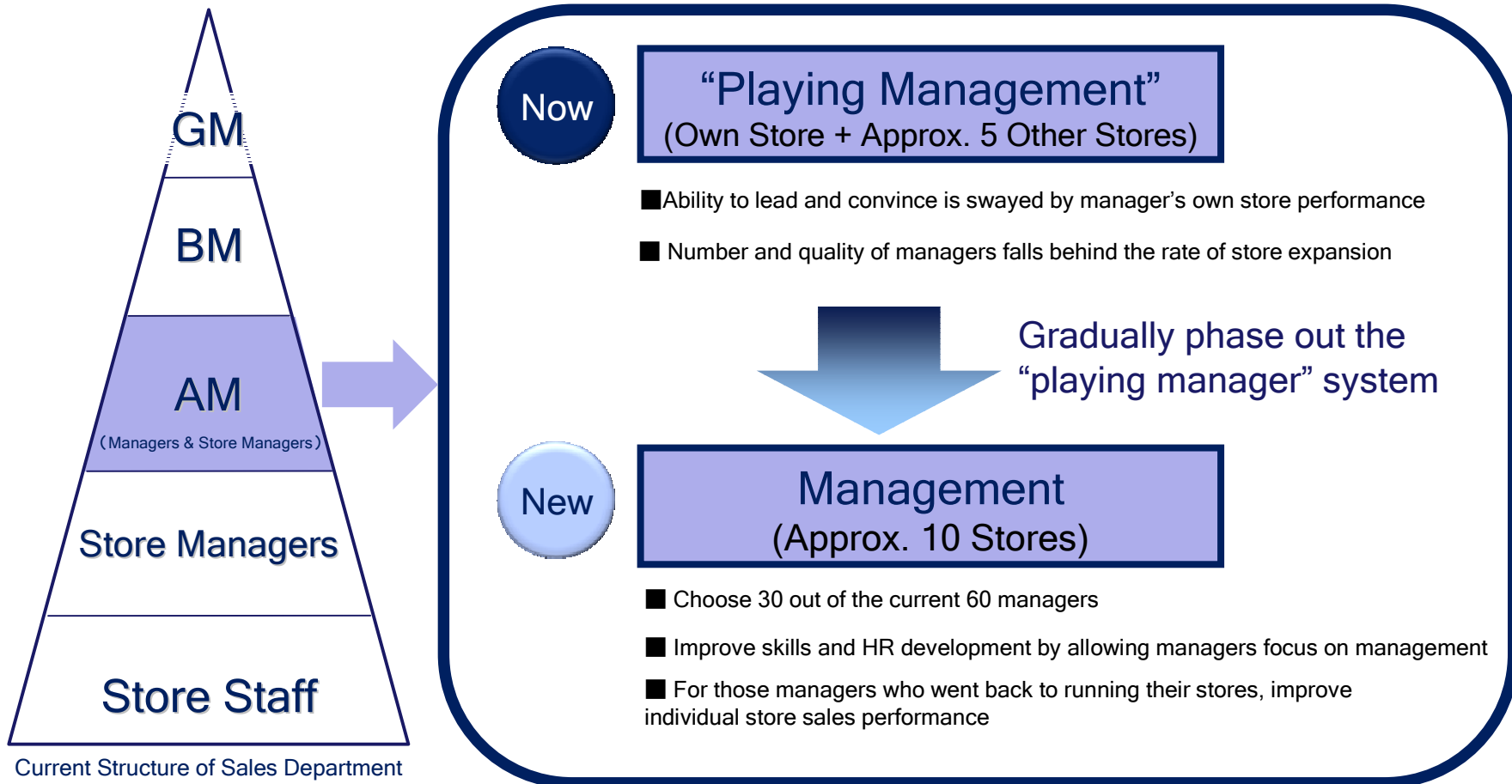
■ HQ Sourcing Team's Goods Shipped from the Logistics Center
 "Ratio of Sales Amount of Top 1,000 Items" and "Number of Items Shipped"
 → Both dependence on top items and lack of variety are alleviating gradually



Promote efforts based on the principle of our unique identity

Scrapping of “Playing Manager” System

Rebuilding the Management Infrastructure to Enable Expansion to 500 Stores



Theme 3



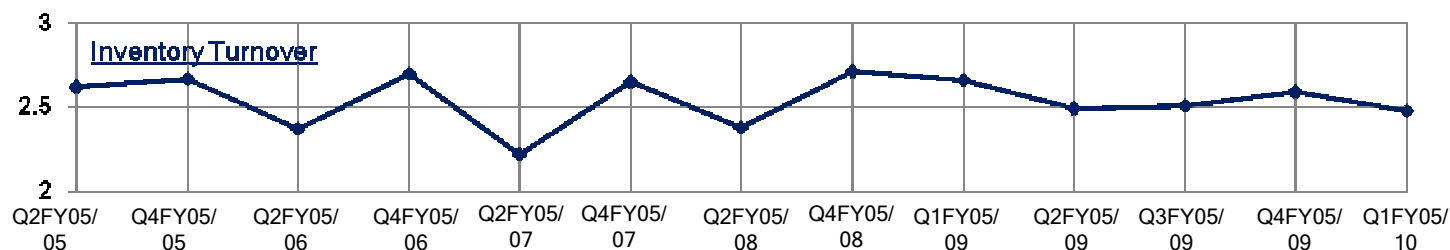
Inventory Control

(Million Yen)

Inventory Trends at Comparable Stores

Inventory Turnover Trend

	Q2 FY05/08	Q3 FY05/08	Q4 FY05/08	Q1 FY05/09	Q2 FY05/09	Q3 FY05/09	Q4 FY05/09	Q1 FY05/10
Cash Flow from Operating Activities	459	328	1,076	-393	-565	-1,694	-669	-197
■ Net Income Before Tax	1,276	2,373	2,917	744	1,116	2,276	3,149	821
■ Change in Inventories	-1,055	-1,076	-1,126	-421	-2,768	-2,900	-3,107	-770
Change in Inventories(Comp Stores)	622	542	403	145	934	899	666	463
Change in Inventories (New Stores)	440	502	885	285	1,901	2,082	2,620	463
Change in Inventories (Other)	8	31	39	-9	-31	-24	-100	-129
Inventory Valuation Losses	-	-	-202	-	-38	-57	-79	-27
■ Other	239	-968	-714	-716	1,084	-1,070	-711	-248
Cash Flow from Investing Activities	-74	-147	-306	-225	-1,102	-1,379	-1,678	-145
Cash Flow from Financing Activities	398	463	181	372	990	3,044	2,383	20
Free Cash Flow	385	181	770	-618	-1,667	-3,073	-2,347	-342
Additional Information								
Number of Comp Stores (Calculated)	205	204	203	203	215	211	219	226
Change in Inventory per Comp Store	3.0	2.6	2.0	0.7	4.3	4.2	3.0	2.0



Note: Detailed cash flow is calculated for reference purposes only and has not been audited.

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Q1 FY05/10 Results Presentation Materials Titicaca Co., Ltd.





Corporate Overview (Titicaca)

Corporate Overview (Titicaca)



■ Name	Titicaca Co., Ltd.
■ Business	Import and Sales of Ethnic Clothing and Variety Goods
■ Main Office	2-2-3 Shin Yokohama Kohoku-ku Yokohama Kanagawa Prefecture
■ Representative Director	Hitoshi Kinami
■ Incorporated	July 2005 (Established May 1977)
■ Capital	99 Million Yen (As of End March 2009)
■ Net Assets	50 Million Yen (Same as Above)
■ Total Assets	1,115 Million Yen (Same as Above)
■ Sales	1,178 Million Yen (Same as Above)
■ Recurring Profit	25 Million Yen (Same as Above)
■ Net Loss	9 Million Yen (Same as Above)
■ Number of Stores	39 (Directly Managed 36 + FC 3)(As of End August 2009)
■ No of Employees	44 Full Time and 130 Part-Time Staff (Same as Above)

Titicaca Stores from Outside



Example of a Standalone Store

Using Vacated Pre-Existing Retail Space



Main Store
(Tokyo Shibuya)

Example of a Tenant Shop

Large Scale Shopping Centers, "Fashion Buildings", Rail
Terminal Buildings



Aeon Tsuchiura
(Tsuchiura, Ibaraki Prefecture)
Opened in May 2009



Apparel Type Store
Focusing on Apparel and
Fashion Accessories

(Yokohama, Kanagawa Prefecture)
Opened in May 2009

Inside Titicaca Stores



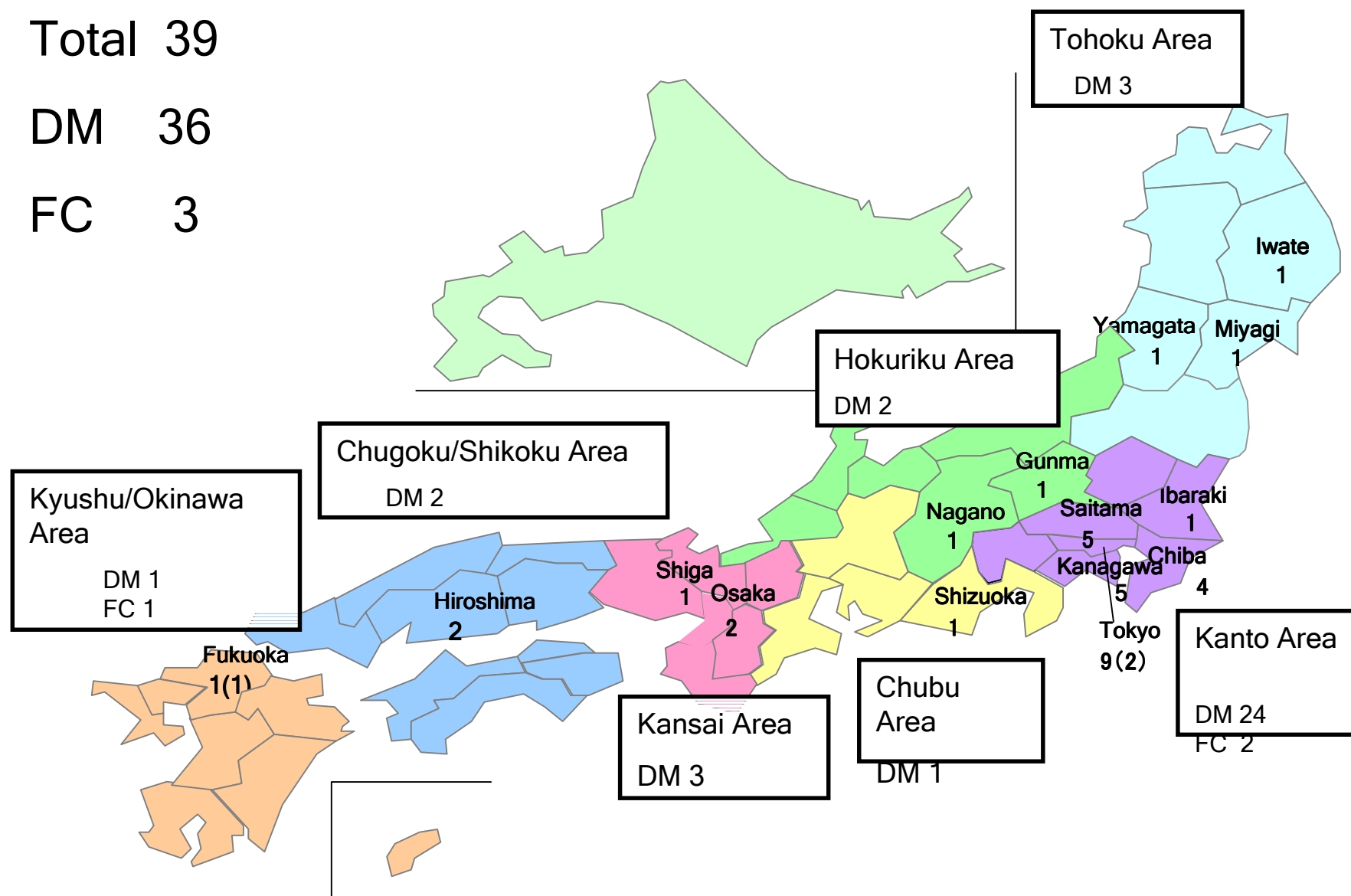
Store Openings



Total 39

DM 36

FC 3



Notes: 1) Numbers in brackets are FC stores.
2) Store Data as of August 2009 End.



Results (Titicaca)

Business Results



1. Income Statement. Sales Below Planned but so are Expenses

(Million Yen)								
	FY05/09 (Actual Results)				FY05/10 (Actual Results and Forecasts)			
	Q1	Q2	Q3	Q4	Q1 Actual	Q2 Forecast	Q3 Forecast	Q4 Forecast
Sales	251	573	879	1,178	361	859	1,317	1,777
As % of Forecast	0.0	-1.6	-2.3	-3.4	-3.2	-	-	-
YoY (%)	25.1	37.9	40.4	41.6	43.6	49.9	49.8	50.7
Operating Profit	10	36	43	36	23	61	83	84
As % of Forecast	-4.6	11.8	-4.4	-41.7	16.9	-	-	-
YoY (%)	-5.1	289.6	-	-	124.8	71.3	81.3	134.4
Recurring Profit	8	29	34	25	20	53	70	67
As % of Forecast	-9.4	10.6	-7.8	-49.0	24.7	-	-	-
YoY (%)	776	289.6	-	-	143.6	80.1	93.3	162.9
Net Income	8	28	31	△9	18	53	70	65
As % of Forecast	-0.9	5.8	-14.5	-	18.3	-	-	-
YoY (%)	-15.1	138.6	-	-	125.6	88.2	107.3	-

① Sales 3.2% below plan (by 11 million yen)

Comp Sales +0.7% New Store Sales -5.8% Wholesale -20.8% FC Sales -19.7%

Reasons ① June total sales 10.6% below plan (April 8.9% above plan, May 0.3% below plan) ② Lack of experience of replenishing items at season turns

② SG&A 3.3% below plan (by 7 million yen)

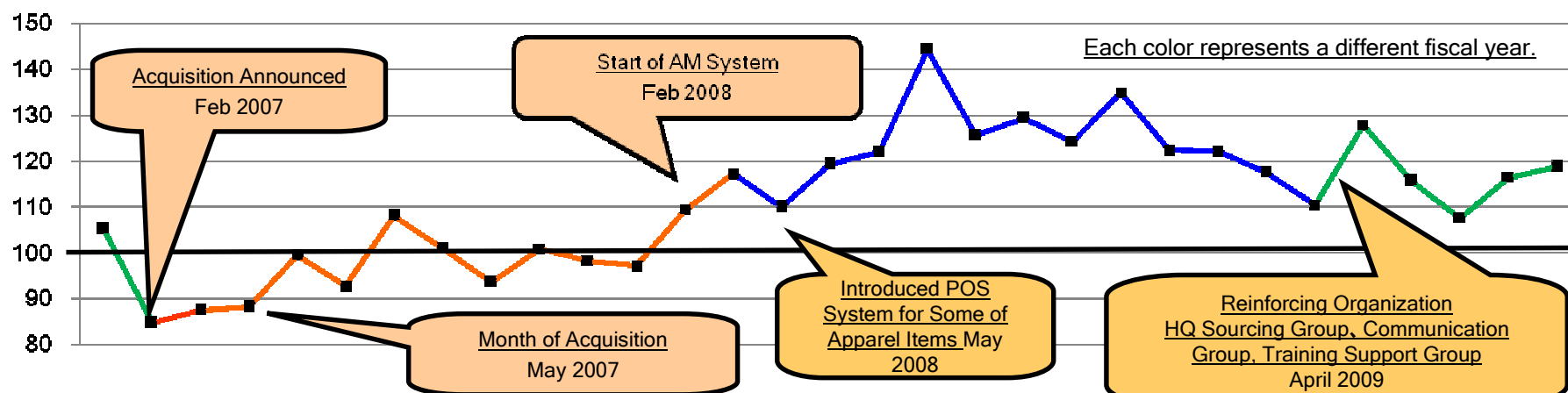
Could not hire enough staff, labor cost 9.6% below plan (by 11 million yen)

Reasons ① Resulting lower salaries paid (5 million yen) ② Lower bonuses and social security payments related to full-time staff (4 million yen)

Business Results



2. Comparable Store Sales (YoY) Q1(April - June)Cumulative +15.9%



	Feb '07	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan '08	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan '09	Feb	Mar	Apr	May	Jun	Jul	Aug
YoY (%)	5.2	-15.1	-12.4	-11.7	-0.4	-7.2	8.1	1.1	-6.3	0.9	-1.6	-2.8	9.4	17.3	10.1	19.4	22.1	44.3	25.8	29.4	24.3	34.9	22.5	22.2	17.7	10.5	27.8	15.7	7.7	16.5	18.9

3. Store Opening Plan and Actual Results

For the full year the progress was more or less as planned

	FY05/09 (Actual Results)	FY05/10 (Forecasts)		FY05/10 (Actual Results) (※)
	FY	1H	2H	1H
Openings	12	9	5	4
Closures	7	1	0	0

Notes:
1)Numbers for April-August 2009 are actual results

2)7 stores opened and 1 closed so far in 1H FY05/10 (as of the day of Q1 results announcement)

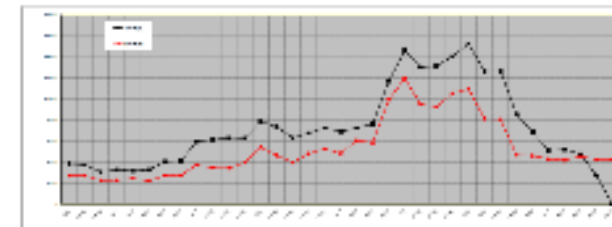
4. YoY Sales Changes by Store Genre. Strong Apparel

Q1 (April-June)
Comparable Store
Sales Change YoY

① Apparel **+44.0%**
② Accessories **+4.3%**

① Why Apparel was Strong?

- ◇ Analyzed sales trends and strategy on a weekly basis
- ◇ Improved patterns to fit Japanese consumers
- ◇ Dispatched Titikaka staff to the supplier factory in India to ensure better quality locally.



Note: 52-week sales trend graph actually used by staff J



Checking quality at the Indian factory



② Weakness of accessories and our response

Issue	Late analysis and late reordering resulting in item shortages	Response	Increased number of POS items, applying experience gained in apparel
	Too many SKUs, hard to analyze and reorder.		Created a catalogue of standard popular items to facilitate fast reordering

It is vital to apply the successful experience in apparel to struggling accessories and introduce weekly analysis and execution regime

Business Results



5. Creating United Organization

“Titikaka Growth Notebook” to Instill Management Principles



We believe that the main driver behind achieving profitability at Titikaka was the fact that all members shared common management principles.

To ensure continued unity of the team Titikaka members, we recorded the management principles and guidelines in “Titikaka Growth Notebook” and distributed it to all members.

Internal Communication Magazine “Kizuna”



Monthly internal publication that informs of new store openings and other news but also enhances the sense of unity and belonging.

It is inevitable that as the organization grows there will be organizational strains associated with it. This publication is an important tool to prevent such issues.

Consolidated Results and Forecasts

Income Statement (Consolidated)



(Million Yen)

	FY05/08 (Actual Results)				FY05/09 (Actual Results)				FY05/10 (Actual Results and Forecasts)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 Actual	Q2 Forecast	Q3 Forecast	Q4 Forecast
Sales	6,317	12,460	20,380	27,678	7,343	14,805	24,544	33,226	8,630	16,833	27,255	37,640
As % of Forecast	-	-	-	-	-	-	1.8	2.1	1.0	-	-	-
YoY (%)	-	-	-	-	16.2	18.8	20.4	20.0	17.5	13.7	11.0	13.3
SG&A	1,857	3,897	6,047	8,244	2,270	4,993	7,791	10,622	2,799	5,708	8,826	12,127
As % of Forecast	-	-	-	-	-	-	-0.1	-0.6	0.9	-	-	-
YoY (%)	-	-	-	-	22.3	28.1	28.8	28.9	23.3	14.3	13.3	14.2
Labor Cost	830	1,713	2,616	3,536	995	2,089	3,239	4,437	1,248	2,577	3,932	5,312
As % of Forecast	-	-	-	-	-	-	-1.5	-2.4	-1.7	-	-	-
YoY (%)	-	-	-	-	19.8	21.9	23.8	25.5	25.4	23.3	21.4	19.7
Rental Expenses	537	1,070	1,737	2,364	632	1,282	2,115	2,867	753	1,440	2,302	3,152
As % of Forecast	-	-	-	-	-	-	1.5	1.5	4.0	-	-	-
YoY (%)	-	-	-	-	17.5	19.8	21.8	21.3	19.2	-35.3	-23.3	-7.4
Depreciation	76	132	204	284	69	164	272	385	102	221	341	475
As % of Forecast	-	-	-	-	-	-	-12.2	-11.5	-3.4	-	-	-
YoY (%)	-	-	-	-	-9.6	24.7	33.0	35.8	47.1	34.3	25.6	23.1
Operating Profit	677	1,225	2,277	2,980	731	1,105	2,256	3,122	799	1,286	2,483	3,481
As % of Forecast	-	-	-	-	-	-	9.9	21.4	4.2	-	-	-
YoY (%)	-	-	-	-	8.0	-9.8	-0.9	4.8	9.3	16.4	10.0	11.5
Recurring Profit	688	1,253	2,322	3,041	753	1,144	2,308	3,171	814	1,294	2,493	3,519
As % of Forecast	-	-	-	-	-	-	9.3	20.7	5.0	-	-	-
YoY (%)	-	-	-	-	9.4	-8.7	-0.6	4.3	8.0	13.1	8.0	11.0
Net Income	382	690	1,287	1,475	414	628	1,233	1,701	462	733	1,405	1,976
As % of Forecast	-	-	-	-	-	-	7.6	21.0	5.8	-	-	-
YoY (%)	-	-	-	-	8.3	-8.9	-4.3	15.4	11.6	16.7	14.0	16.1

Note: Q3 and Q4 actual performance in FY05/09 is compared to revised forecast figures announced on January 9, 2009.

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Balance Sheet (Consolidated)



(Million Yen)

	FY05/08 (Actual Results)				FY05/09 (Actual Results)				FY05/10 (Actual Results and Forecasts)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 Actual	Q2 Forecast	Q3 Forecast	Q4 Forecast
Current Assets	13,714	15,501	15,332	15,921	16,512	18,470	19,119	19,695	20,290	21,343	21,025	22,428
As % of Total	82.0	83.2	83.1	83.3	83.3	81.4	81.9	81.8	82.0	83.0	83.0	83.4
Cash and Deposits	2,095	2,946	2,729	2,985	2,750	2,387	3,011	3,078	2,685	3,028	2,677	3,436
As % of Total	12.5	15.8	14.8	15.6	13.9	10.5	12.9	12.8	10.9	11.8	10.6	12.8
Inventory	9,777	10,865	10,900	10,927	11,340	13,711	13,881	14,131	15,003	15,969	15,889	16,384
As % of Total	58.4	58.3	59.1	57.1	57.2	60.1	59.5	58.7	60.7	62.1	62.7	60.9
Other Current Assets	1,842	1,689	1,702	2,008	2,421	2,372	2,225	2,601	2,601	2,346	2,458	2,607
As % of Total	11.0	9.1	9.2	10.5	12.2	10.5	9.5	10.5	10.5	9.1	9.7	9.7
Fixed Assets	3,019	3,125	3,119	3,200	3,299	4,218	4,227	4,383	4,440	4,371	4,329	4,455
As % of Total	18.0	16.8	16.9	16.7	16.7	18.6	18.1	18.2	18.0	17.0	17.1	16.6
Current Liabilities	4,949	6,123	5,511	6,053	6,586	8,361	6,933	7,525	8,053	8,492	7,305	8,587
As % of Total	29.6	32.9	29.9	31.7	33.2	36.9	29.7	31.3	32.6	33.0	28.8	31.9
Fixed Liabilities	2,080	2,490	2,330	2,272	2,068	2,955	4,436	4,108	3,824	4,097	4,240	3,929
As % of Total	12.4	13.4	12.6	11.9	10.4	13.0	19.0	17.1	15.5	15.9	16.7	14.6
Shareholders Capital	9,704	10,012	10,609	10,797	11,157	11,372	11,976	12,445	12,853	13,124	13,796	14,367
As % of Total	58.0	53.8	57.5	56.5	56.3	50.1	51.3	51.7	52.0	51.0	54.4	53.4
Total Assets	16,734	18,626	18,452	19,122	19,812	22,688	23,347	24,079	24,731	25,715	25,342	26,884
As % of Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Cash Flow (Consolidated)



(Million Yen)

	FY05/09 (Actual Results)				FY05/10 (Forecasts)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash Flow from Operating Activities	-419	-533	-1,758	-735	-292	159	-724	1,133
Changes in Inventory	-412	-2,783	-2,953	-3,203	-872	-1,837	-1,757	-2,253
Other	-6	2,250	1,194	2,467	579	1,996	1,033	3,386
Cash Flow from Investing Activities	-239	-1,182	-1,497	-1,803	-186	-321	-454	-737
Capital Expenditures	-127	-798	-947	-1,166	-104	-191	-267	-388
Other	-112	-383	-550	-636	-82	-130	-186	-349
Cash Flow from Financing Activities	422	1,119	3,284	2,633	86	112	777	-38
Increase in Cash and Equivalents	-234	-598	26	93	-393	-50	-401	357
Period Beginning Amount	2,965	2,965	2,965	2,965	3,058	3,058	3,058	3,058
Period End Amount	2,730	2,367	2,991	3,058	2,665	3,008	2,657	3,416
Free Cash Flow	-658	-1,715	-3,256	-2,539	-479	-162	-1,179	395

Q1 FY05/10 Results Presentation Materials

