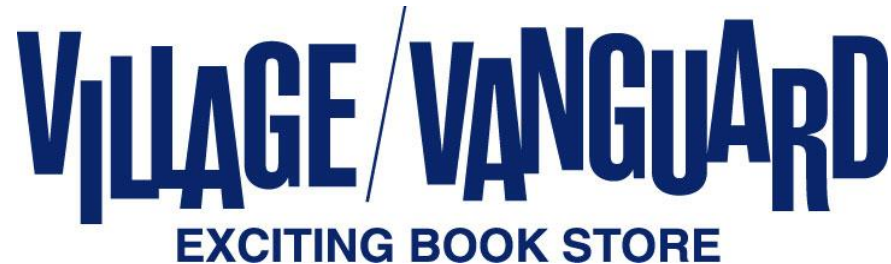


FY05/09

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

- 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 351 Stores (319 Directly Managed Stores and 32 FC Stores)(As of End May 2009; Consolidated)
- No of Employees 280 Full Time and 1,930 Part-Time Staff (Same as Above)

【 Raison D'être 】

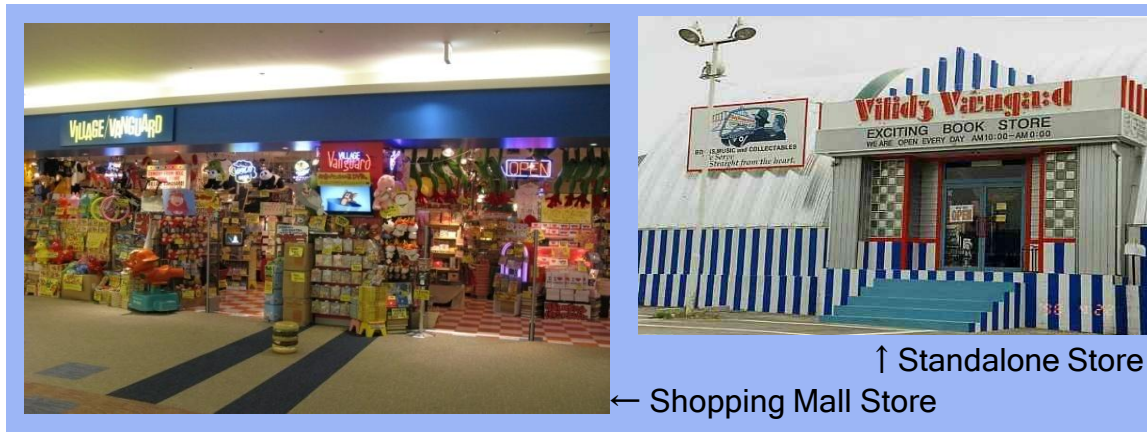
Our name is Village Vanguard and we are offering our customers a creative space that never existed before. Our customers will probably always demand from us to develop this unique space with power and grace.

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

【 Code of Conduct 】

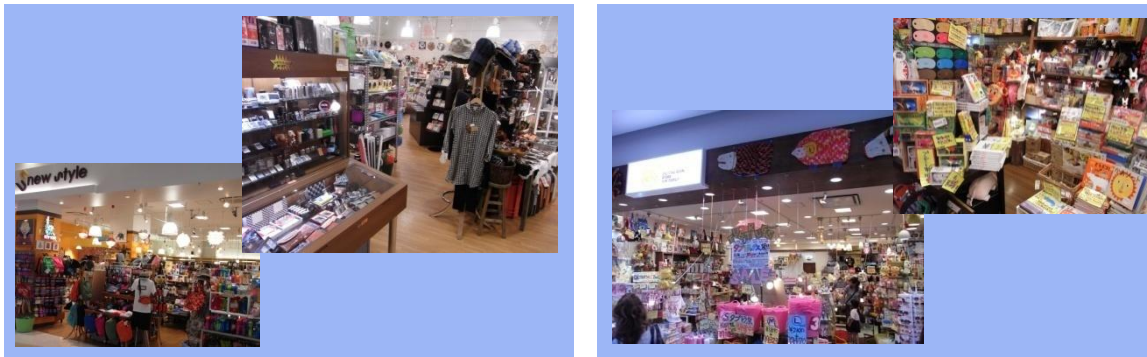
1. The friends are the source of strength of Village Vanguard.
2. We are generous with gratitude and we pay the utmost respect to independence and progress of individuals.
3. The customer is always the highest position. We should not forget it even for a moment.
4. We will always continue to undertake 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



■ 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.



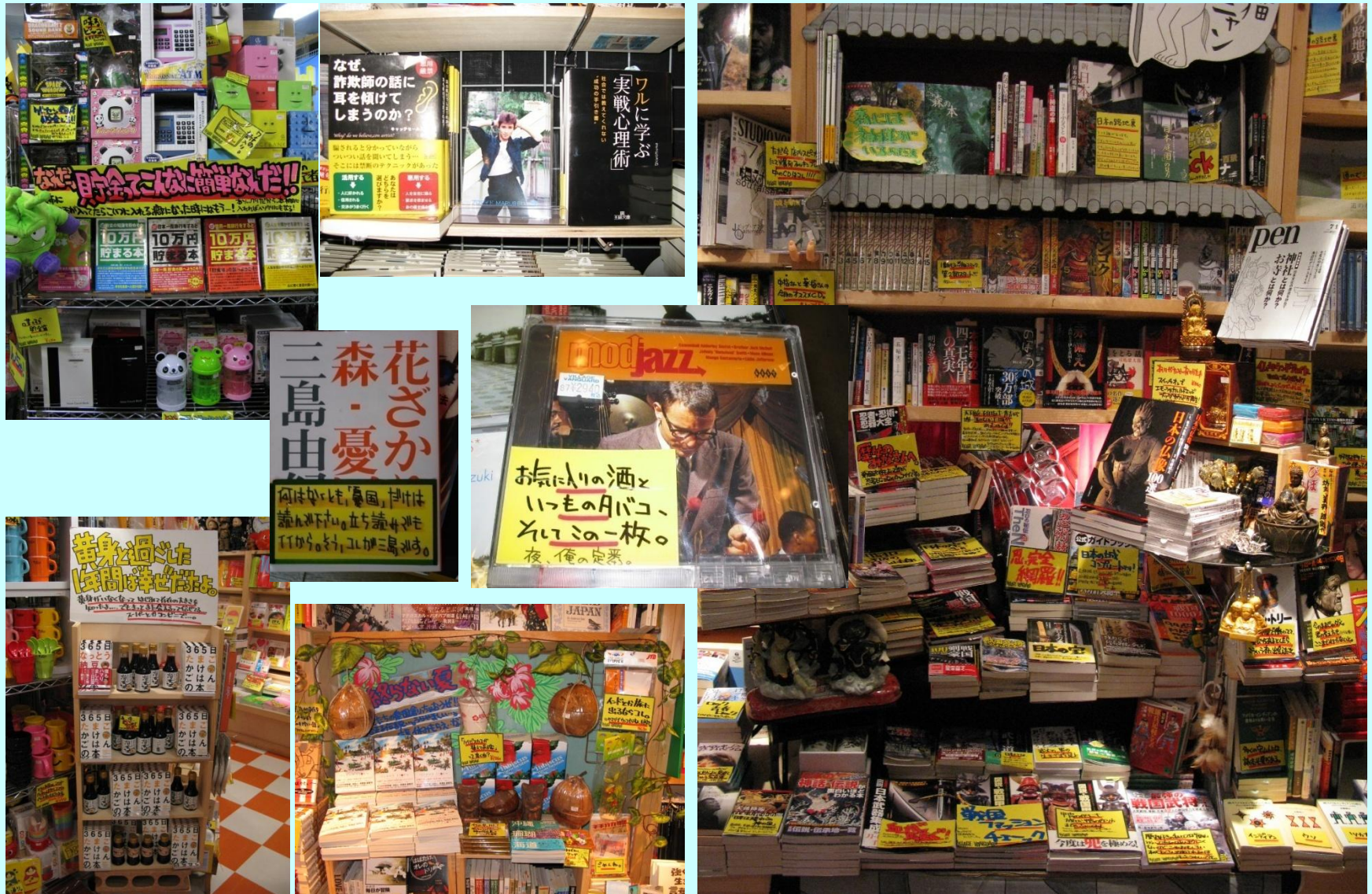
■ Online

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 Selection

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

★Sign='Store Manager Recommends'

	Shinjuku Lumine Store	America-Mura Store	Fukuoka Daimyo Store	Rest of Japan
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 Club, 1963  	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 (Amechara)  	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

Store = Marketing and Execution

HQ = Control and Guidance

- Directly Experience Customer Responses
- Design Sales Area
- Decide on Purchasing

- Decide on Suppliers and Price
- Provide Information and Guidance
- Allocate Personnel

Accurately Respond to Customer Needs

* Increase Sales Staff Motivation



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

Store Openings

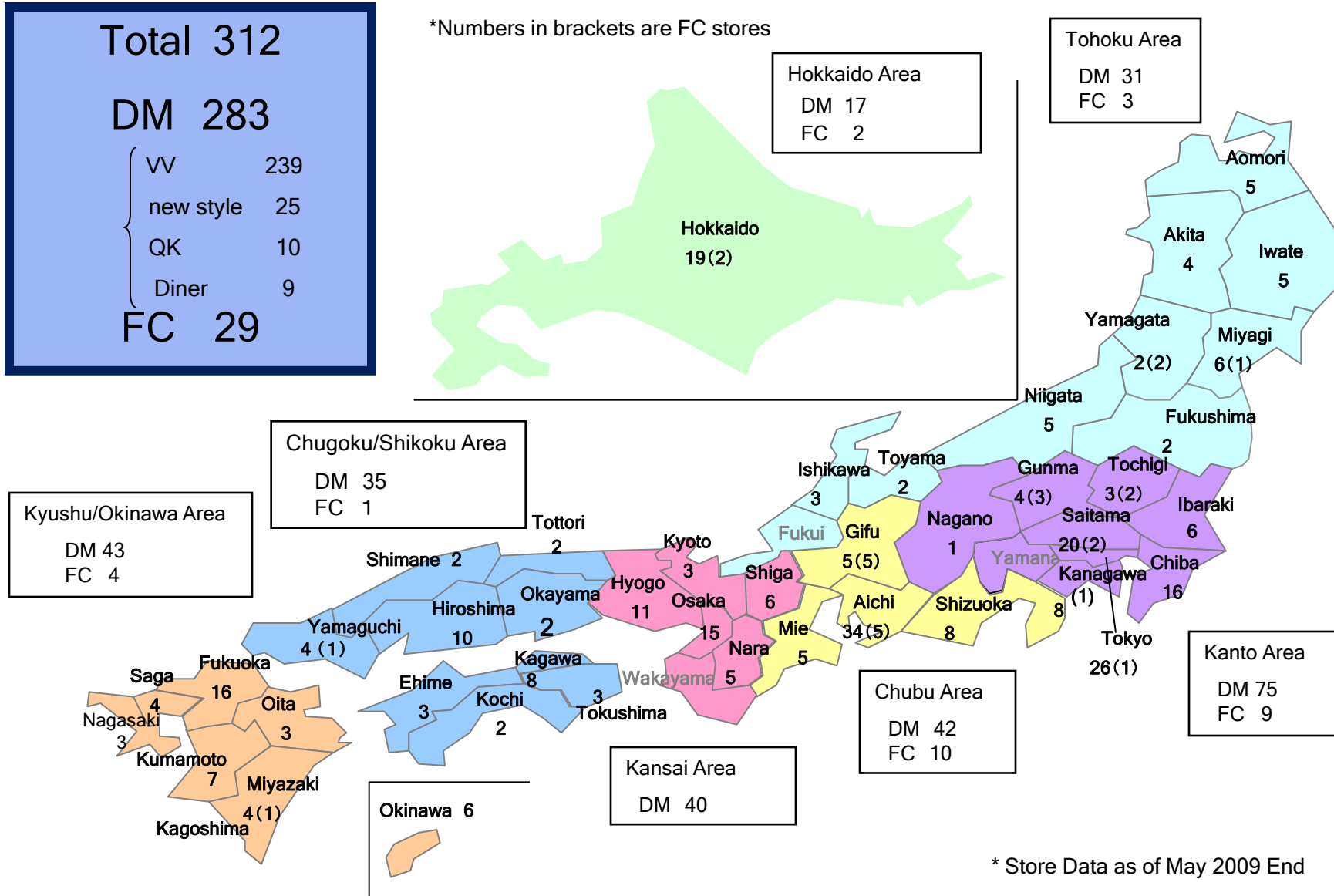
Total 312

DM 283

VV	239
new style	25
QK	10
Diner	9

FC 29

*Numbers in brackets are FC stores



* Store Data as of May 2009 End

Financial Results Parent (VV)

Results Trends

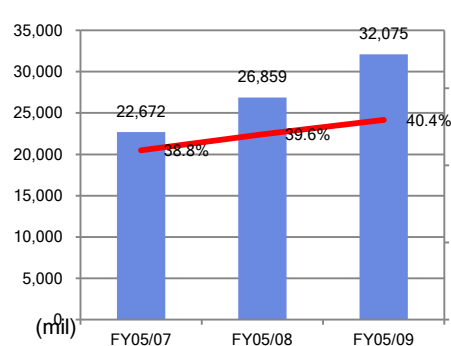
Results Trends

(In Million Yen)

	FY05/07				FY05/08				FY05/09			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	4,950	9,871	16,510	22,672	6,118	12,047	19,761	26,859	7,096	14,240	23,678	32,075
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	1,883	3,844	6,361	8,793	2,383	4,821	7,878	10,639	2,821	5,701	9,440	12,946
As % of Sales	38.0	38.9	38.5	38.8	39.0	40.0	39.9	39.6	39.8	40.0	39.9	40.4
Operating Profit	482	875	1,737	2,438	680	1,239	2,310	3,043	729	1,088	2,240	3,125
As % of Sales	9.7	8.9	10.5	10.5	11.1	10.3	11.7	11.3	10.3	7.6	9.5	9.7
Recurring Profit	492	911	1,782	2,505	693	1,277	2,373	3,129	758	1,141	2,314	3,200
As % of Sales	9.9	9.2	10.8	11.1	11.3	10.6	12.0	11.7	10.7	8.0	9.8	10.0
Net Income	288	500	1,038	1,380	386	712	1,336	1,639	418	626	1,263	1,766
As % of Sales	5.8	5.1	6.3	6.1	6.3	5.9	6.8	6.1	5.9	4.4	5.3	5.5
ROA (%)	-	12.3	-	16.3	-	*14.4	-	17.3	-	*10.6	-	14.8
ROE (%)	-	*13.6	-	17.8	-	*15.4	-	16.9	-	*11.1	-	14.9

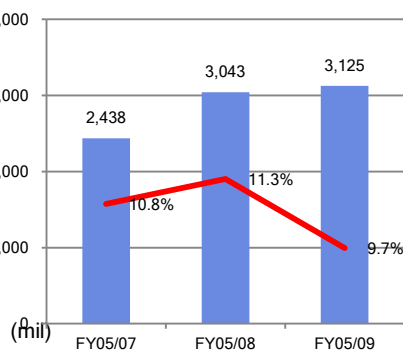
■ Sales, Gross Profit Margins

■ Sales ■ Gross Profit Margins



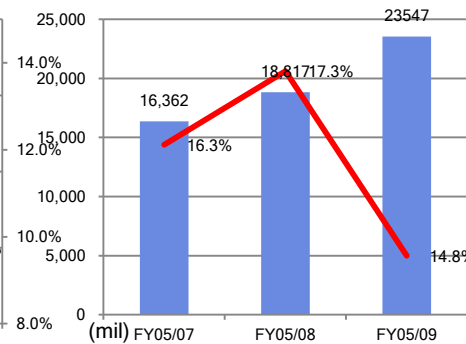
■ Operating Profit, Operating Profit Margins

■ Operating Profit ■ Operating Profit Margin



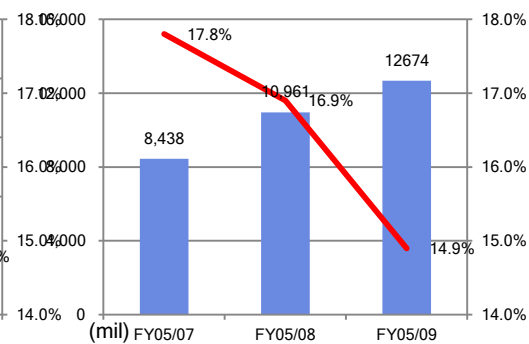
■ ROA, Total Assets

■ Total Assets ■ ROA



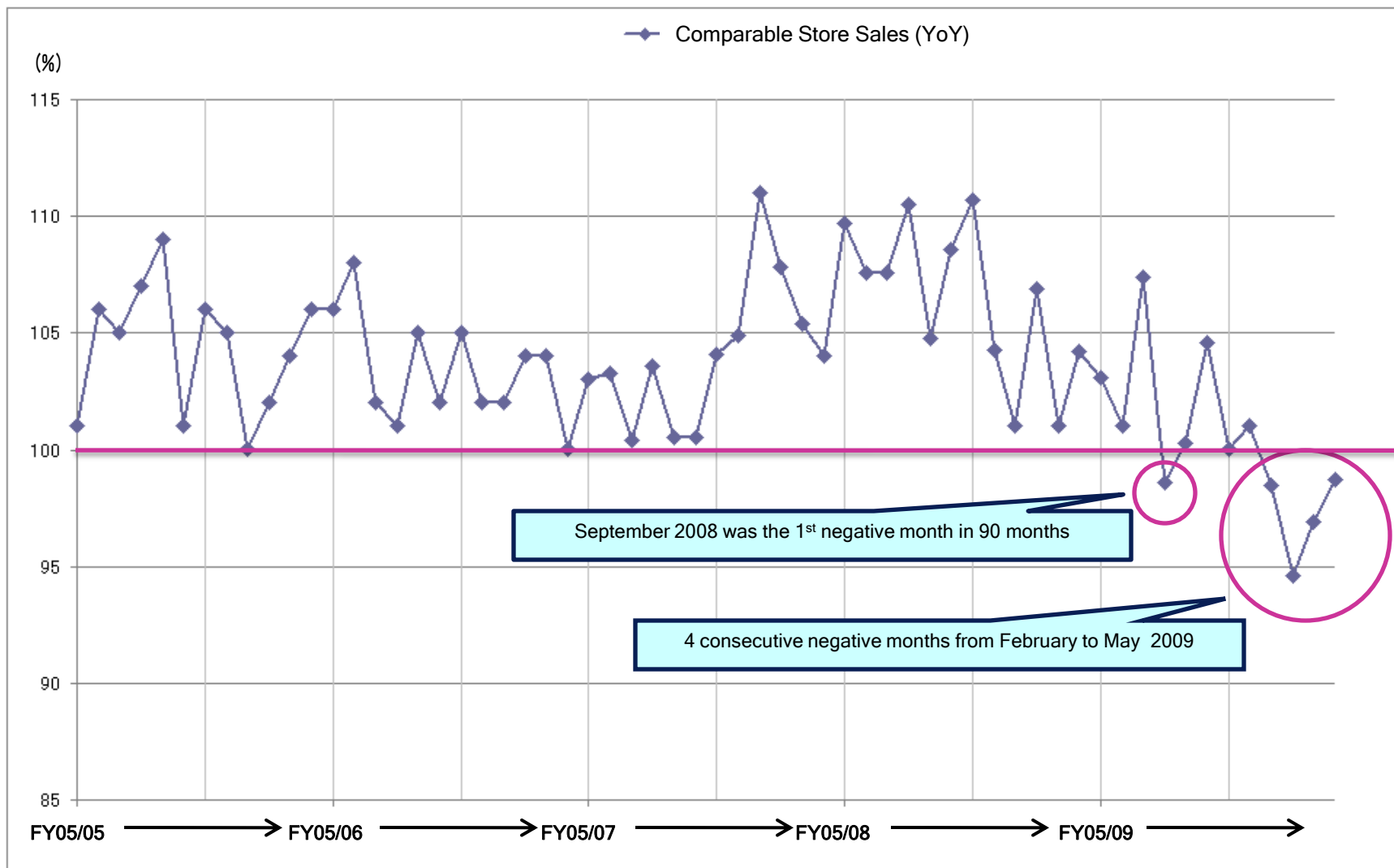
■ ROE, Shareholder Equity

■ Shareholder Equity ■ ROE

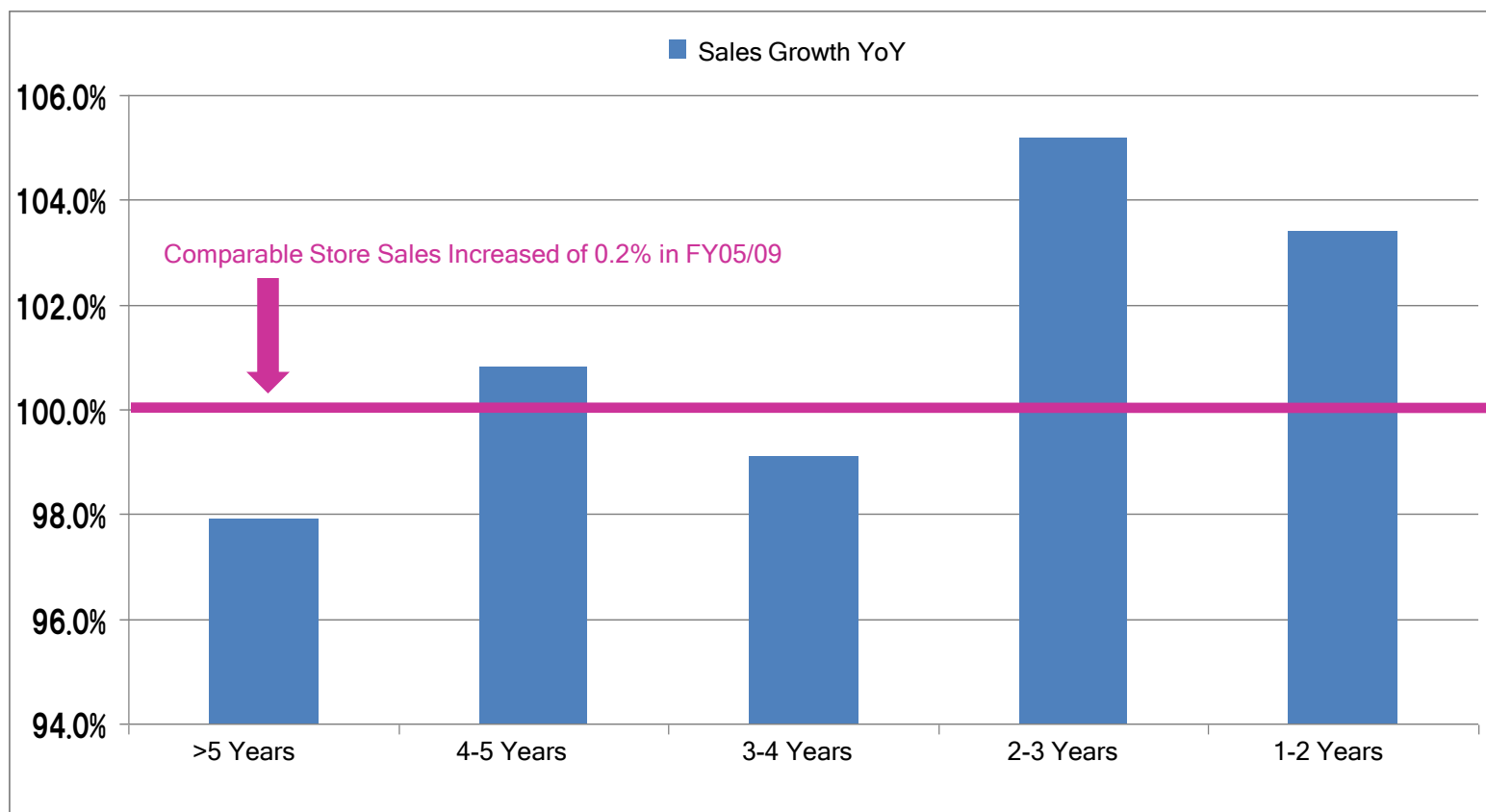


*When calculating interim ROA/ROE, operating profit and net income are annualized multiplying by two.

Comparable Store Sales



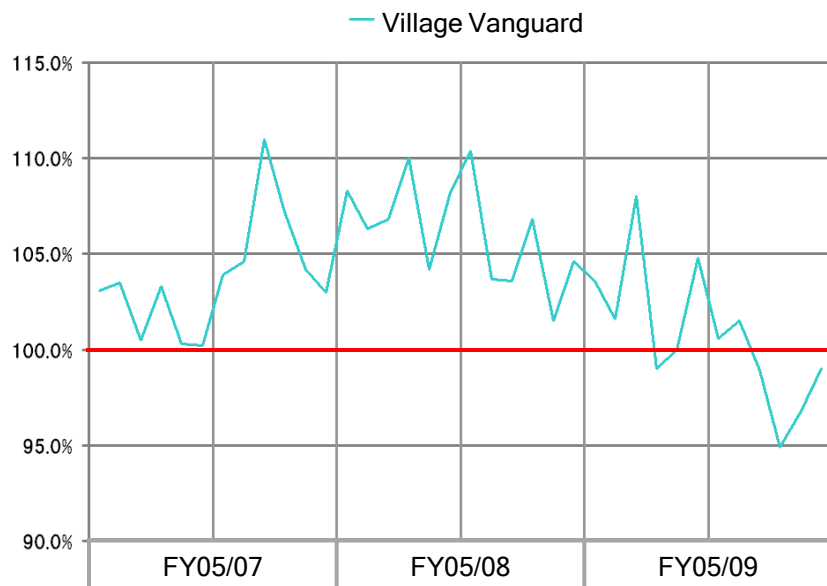
Sales by Store Age



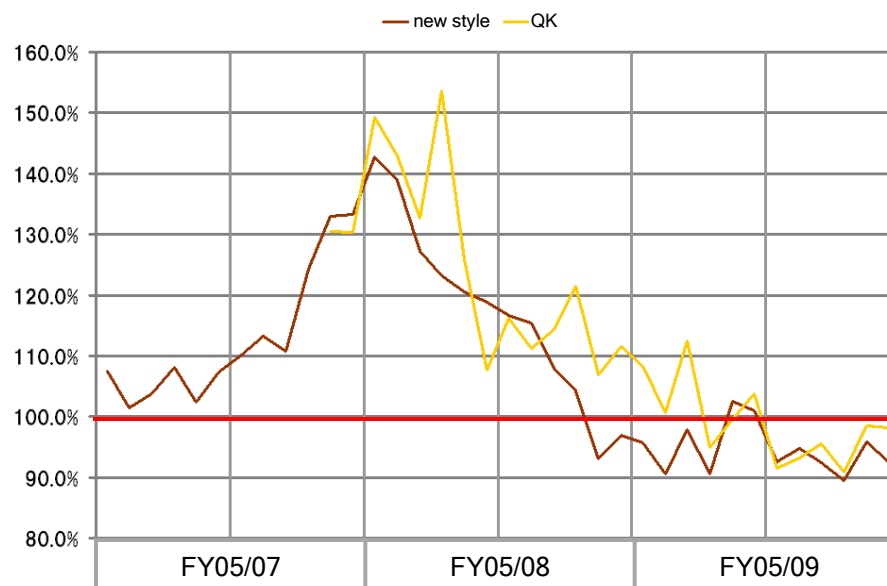
Store Age	>5 Years	4-5 Years	3-4 Years	2-3 Years	1-2 Years	<1 Year
Number of Stores *	87	36	36	39	24	61
Sales Growth YoY (%)	97.5	100.8	99.1	105.2	103.4	-

Sales by Format (1)

■ Village Vanguard Comparable Store Sales YoY



■ new style/QK Comparable Store Sales YoY



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

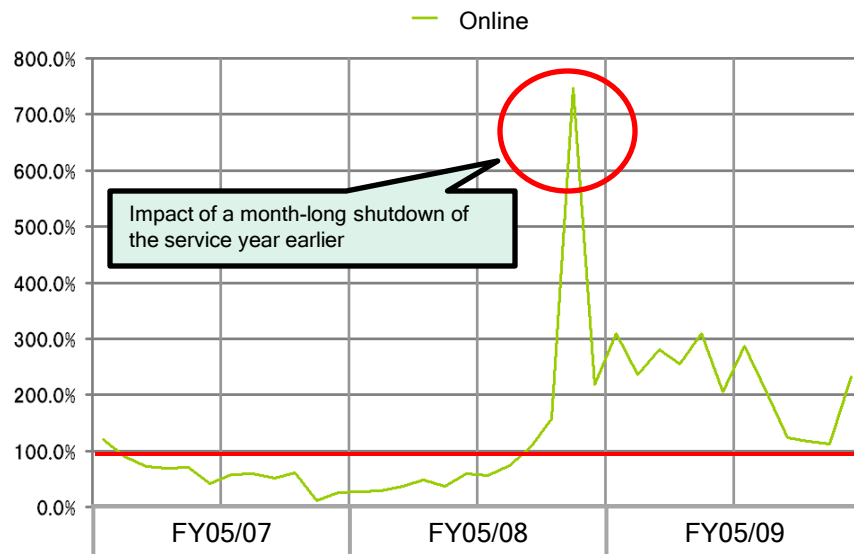
	FY05/07				FY05/08				FY05/09			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Village vanguard	4,627	9,180	15,278	20,886	5,544	10,894	17,851	24,245	6,391	12,714	21,131	28,548
YoY (%)	122.0	121.3	123.1	122.4	119.8	118.7	116.8	116.1	115.3	116.7	118.4	117.8
new style	184	403	739	1,107	393	758	1,249	1,692	426	905	1,546	2,134
YoY (%)	162.6	167.3	177.5	186.6	213.2	188.0	169.1	152.8	108.2	119.5	123.8	126.1
QK	13	38	102	157	57	138	247	342	119	270	444	607
YoY (%)	-	-	-	1481.8	423.6	364.9	241.2	218.0	208.8	194.7	179.7	177.0

(Million Yen)

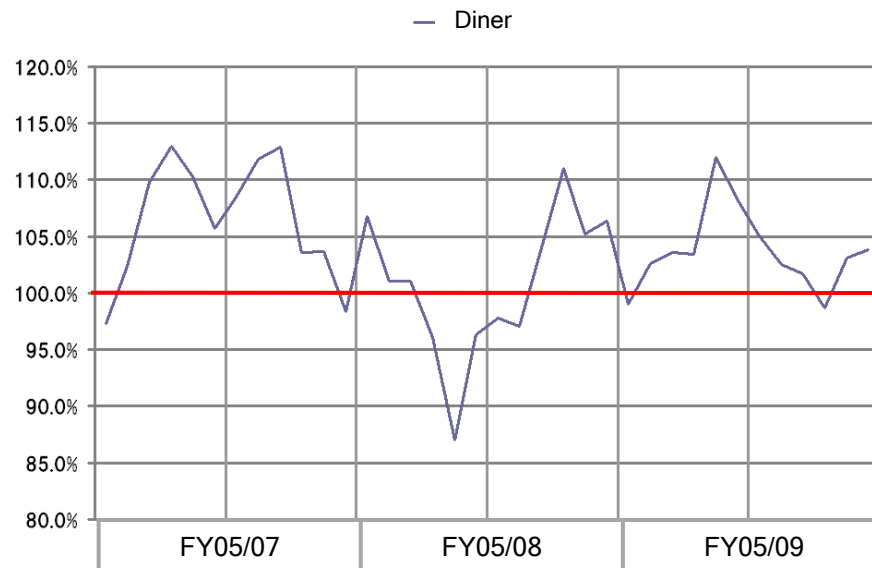
(* YoY sales are as of end of each quarter)

Sales by Format (2)

■ Online "Comp Sales" YoY



■ Diner Comparable Store sales YoY



■ Sales by Format (Online / Diner)

(Million Yen)

	FY05/07				FY05/08				FY05/09			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Online	38	70	110	124	11	26	56	90	32	71	131	179
YoY (%)	91.6	72.1	65.5	59.0	30.9	38.4	51.7	73.4	275.2	262.3	230.2	196.3
Diner	58	116	185	260	73	146	232	329	99	230	361	520
YoY (%)	103.1	106.8	116.9	119.4	125.4	125.7	125.3	126.1	134.3	156.8	155.4	158.3

(*1 YoY sales are as of end of each quarter)

(*2 Online sales are the total selling price to final consumers, not our net booked sales)

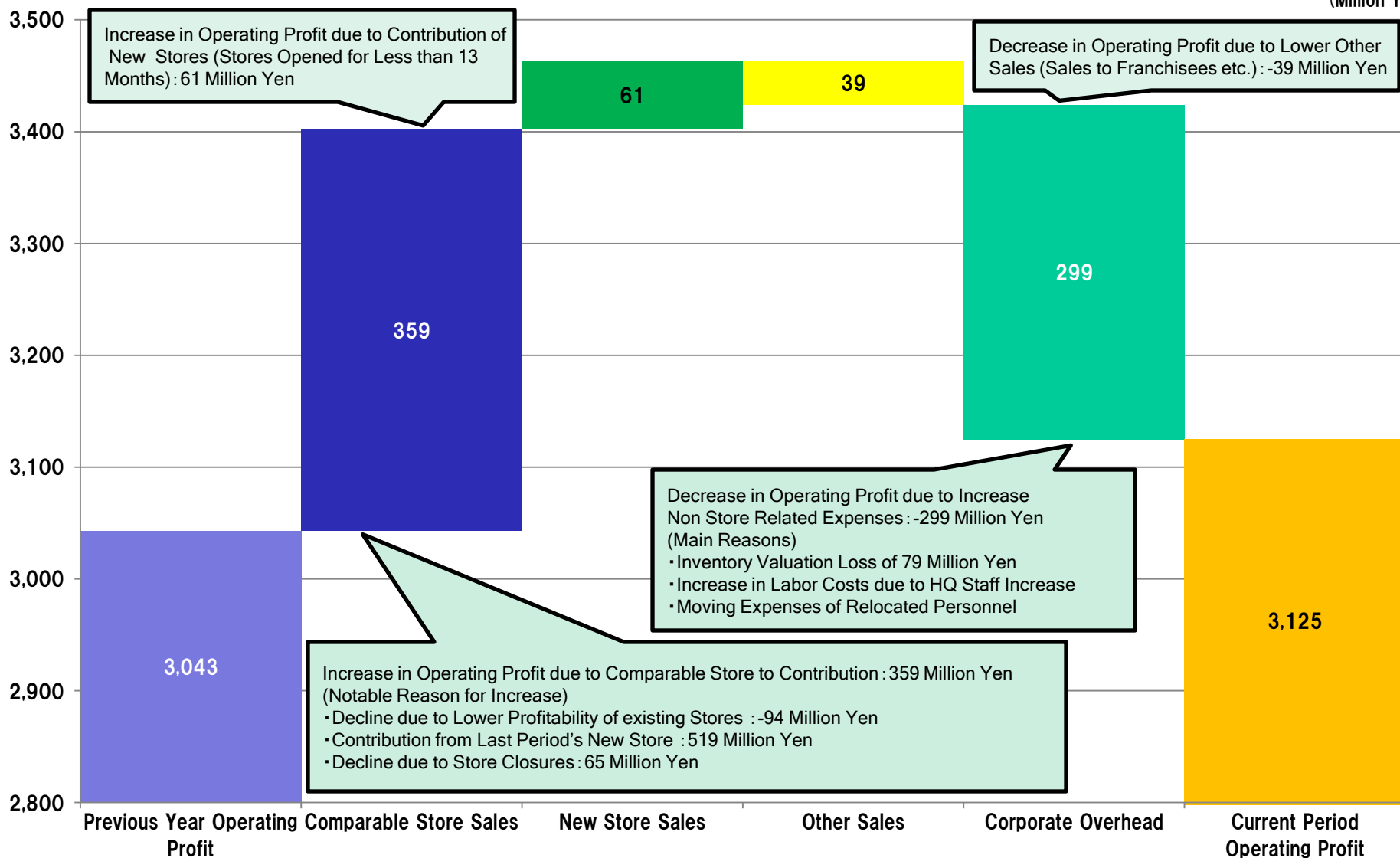
Sales by Product Genre

(Million Yen)

		FY05/07				FY05/08				FY05/09			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SPICE		3,518	6,980	11,775	16,051	4,304	8,381	13,927	18,938	5,109	10,352	17,454	23,764
As % of Total		71.1	70.7	71.3	70.8	70.3	69.5	70.5	70.5	72.0	72.7	73.7	74.1
Of which HQ sourcing Team		-	1,227	-	2,727	733	1,578	2,788	3,898	1,180	2,512	4,516	6,254
As % of Total		-	12.4	-	12.0	12.0	13.1	14.1	14.5	16.6	17.6	19.1	19.5
Of which External Suppliers		-	5,752	-	13,324	3,570	6,803	11,139	15,039	3,928	7,839	12,937	17,510
As % of Total		-	58.3	-	58.8	58.3	56.4	56.4	56.0	55.4	55.1	54.6	54.6
Books		956	1,927	3,068	4,143	1,025	2,013	3,131	4,175	1,038	2,079	3,250	4,337
As % of Total		19.3	19.5	18.6	18.3	16.8	16.7	15.8	15.6	14.6	14.6	13.7	13.5
NM (New Media)		374	760	1,346	2,038	673	1,416	2,330	3,228	810	1,533	2,530	3,331
As % of Total		7.6	7.7	8.2	9.0	11.0	11.8	11.8	12.0	11.4	10.8	10.7	10.4
Other		100	203	319	439	115	235	372	516	139	274	442	641
As % of Total		2.0	2.1	1.9	1.9	1.9	2.0	1.9	1.9	2.0	1.9	1.9	2.0
Total		4,950	9,871	16,510	22,672	6,118	12,047	19,761	26,859	7,096	14,240	23,678	32,075
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

Operating Profit Analysis

(Million Yen)



Income Statement

(Million Yen)

	FY05/07 (Actual Results)				FY05/08 (Actual Results)				FY05/09 (Actual Results)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3*	Q4*
Sales	4,950	9,871	16,510	22,672	6,118	12,047	19,761	26,859	7,096	14,240	23,678	32,075
As % of Plan	-	-	-	-	-	-	-	-	-	-	101.9	102.3
YoY (%)	122.3	122.1	124.6	124.4	123.6	122.0	119.7	118.5	116.0	118.2	119.8	119.4
SG&A	1,400	2,968	4,624	6,355	1,703	3,581	5,567	7,596	2,092	4,613	7,199	9,821
As % of Plan	-	-	-	-	-	-	-	-	-	-	100.1	99.6
YoY (%)	124.8	125.1	125.8	124.8	121.6	120.7	120.4	119.5	122.8	128.8	129.3	129.3
Labor Cost	641	1,313	2,029	2,733	756	1,566	2,393	3,240	911	1,913	2,965	4,064
As % of Plan	-	-	-	-	-	-	-	-	-	-	98.9	97.8
YoY (%)	126.4	123.7	124.9	122.6	117.8	119.3	117.9	118.6	120.5	122.2	123.9	125.4
Consumables Cost	61	157	209	293	62	152	230	333	124	361	461	587
As % of Plan	-	-	-	-	-	-	-	-	-	-	93.5	95.1
YoY (%)	118.4	132.2	113.8	116.4	102.5	96.7	110.3	113.7	199.5	237.9	200.2	175.9
Commissions Paid	23	93	128	218	32	143	195	270	45	214	335	485
As % of Plan	-	-	-	-	-	-	-	-	-	-	113.4	116.9
YoY (%)	171.1	199.8	224.3	176.0	136.3	153.8	152.0	124.2	141.9	150.1	171.5	179.4
Operating Profit	482	875	1,737	2,438	680	1,239	2,310	3,043	729	1,088	2,240	3,125
As % of Plan	-	-	-	-	-	-	-	-	-	-	109.3	121.7
YoY (%)	122.2	123.0	111.4	124.8	141.0	141.5	133.0	124.8	107.3	87.8	97.0	102.7
Recurring Profit	492	911	1,782	2,505	693	1,277	2,373	3,129	758	1,141	2,314	3,200
As % of Plan	-	-	-	-	-	-	-	-	-	-	109.7	121.6
YoY (%)	125.8	128.1	128.7	127.0	140.8	140.2	133.2	124.9	109.3	89.3	97.5	102.3
Net Income	288	500	1,038	1,380	386	712	1,336	1,639	418	626	1,263	1,766
As % of Plan	-	-	-	-	-	-	-	-	-	-	108.2	123.3
YoY (%)	129.3	144.8	131.2	129.7	133.9	142.4	128.7	118.7	108.3	88.0	94.5	107.8

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

Balance Sheet

(Million Yen)

	FY05/07 (Actual Results)				FY05/08 (Actual Results)				FY05/09 (Actual Results)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Current Assets	11,537	12,267	11,965	12,961	12,972	14,725	14,604	15,310	15,839	17,742	18,323	18,895
As % of Total	83.1	82.0	81.9	79.2	79.6	81.1	81.0	81.4	81.4	79.8	80.4	80.2
Cash and Deposits	1,608	1,518	1,404	1,987	1,976	2,770	2,632	2,938	2,692	2,259	2,907	2,973
As % of Total	11.6	10.2	9.6	12.1	12.1	15.3	14.6	15.6	13.8	10.1	12.8	12.6
Inventory	8,165	9,468	9,232	9,330	9,284	10,385	10,406	10,456	10,877	13,223	13,357	13,563
As % of Total	58.8	63.3	63.2	57.0	56.9	57.2	57.8	55.6	55.9	59.4	58.6	57.6
Other Current Assets	1,763	1,280	1,328	1,643	1,711	1,569	1,565	1,915	2,268	2,260	2,058	2,357
As % of Total	12.7	8.6	9.1	10.0	10.5	8.6	8.6	10.2	11.7	10.2	9.0	10.0
Fixed Assets	2,340	2,684	2,645	3,400	3,331	3,441	3,415	3,506	3,608	4,483	4,474	4,652
As % of Total	16.9	18.0	18.1	20.8	20.4	18.9	19.0	18.6	18.6	20.2	19.6	19.8
Current Liabilities	5,030	5,533	4,543	6,016	4,814	5,957	5,329	5,859	6,309	8,059	6,567	7,142
As % of Total	36.2	37.0	31.1	36.8	29.5	32.8	29.6	31.1	32.4	36.3	28.8	30.3
Fixed Liabilities	1,500	1,860	1,970	1,908	1,780	2,176	2,032	1,995	1,811	2,632	4,058	3,730
As % of Total	10.8	12.4	13.5	11.7	10.9	12.0	11.3	10.6	9.3	11.8	17.8	15.9
Shareholders Capital	7,346	7,557	8,096	8,438	9,708	10,034	10,658	10,961	11,326	11,534	12,171	12,674
As % of Total	52.9	50.6	55.4	51.6	59.5	55.2	59.1	58.3	58.2	51.9	53.4	53.8
Total Assets	13,877	14,952	14,610	16,362	16,303	18,167	18,020	18,816	19,447	22,226	22,797	23,547
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

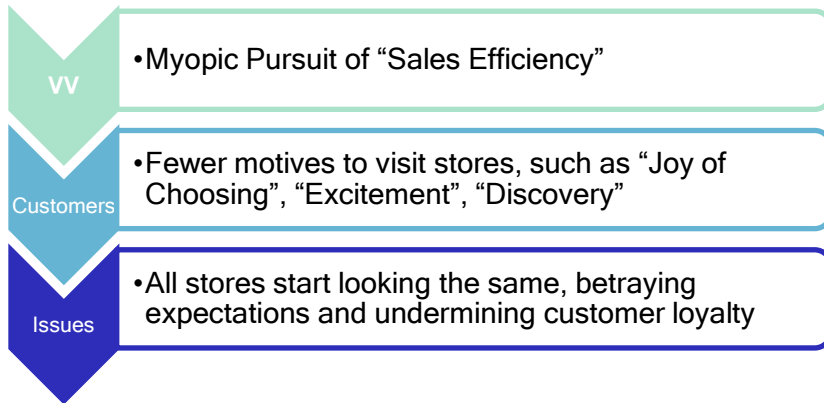
(Million Yen)

	FY05/08				FY05/09			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash Flow from Operating Activities	-586	459	328	1,076	-393	-565	-1,694	-669
Changes in Inventory	45	-1,055	-1,076	-1,126	-421	-2,766	-2,900	-3,107
Other	-632	1,515	1,405	2,203	27	2,201	1,206	2,437
Cash Flow from Investing Activities	161	-74	-147	-306	-225	-1,102	-1,379	-1,678
Capital Expenditures	-12	-157	-190	-319	-118	-757	-877	-1,072
Other	174	83	43	12	-106	-344	-502	-605
Cash Flow from Financing Activities	412	398	463	181	372	990	3,044	2,383
Increase in Cash and Equivalents	-11	782	644	950	-245	-678	-31	35
Period Beginning Amount	1,967	1,967	1,967	1,967	2,918	2,918	2,918	2,918
Period End Amount	1,956	2,750	2,612	2,918	2,672	2,239	2,887	2,953
Free Cash Flow	-425	385	181	770	-619	-1,667	-3,073	-2,347

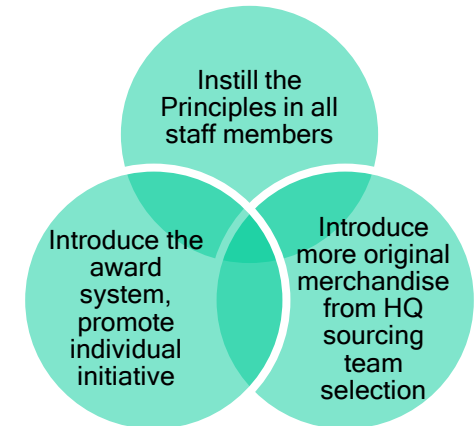
Problems and Solutions

Theme 1

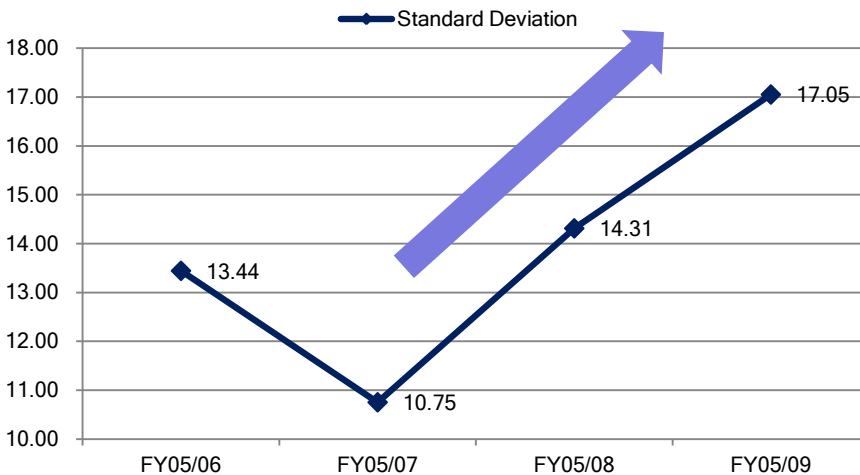
Decreased individuality of merchandise selection and sales area design at each store



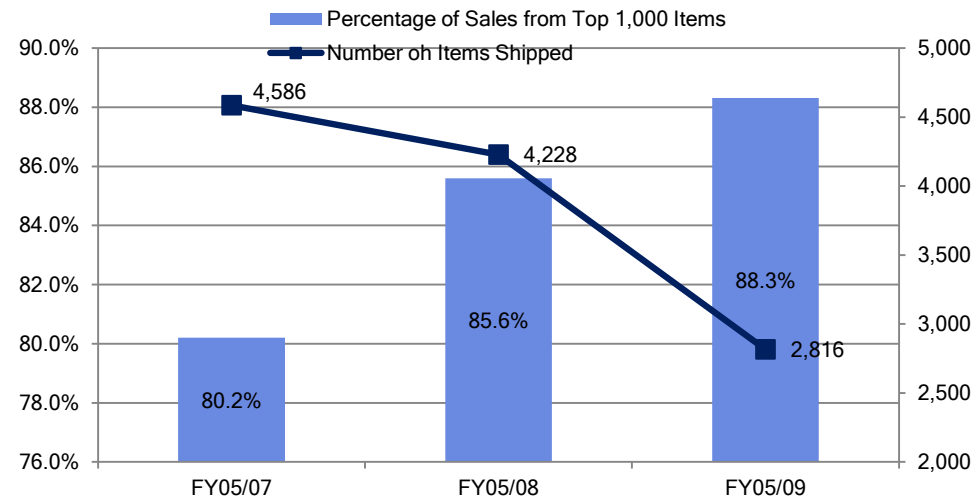
Solutions



■ Trend in Standard Deviation of YoY Sales Changes



■ HQ sourcing Team's Percentage of Sales Coming from Top 1,000 Items and Number of Items Shipped

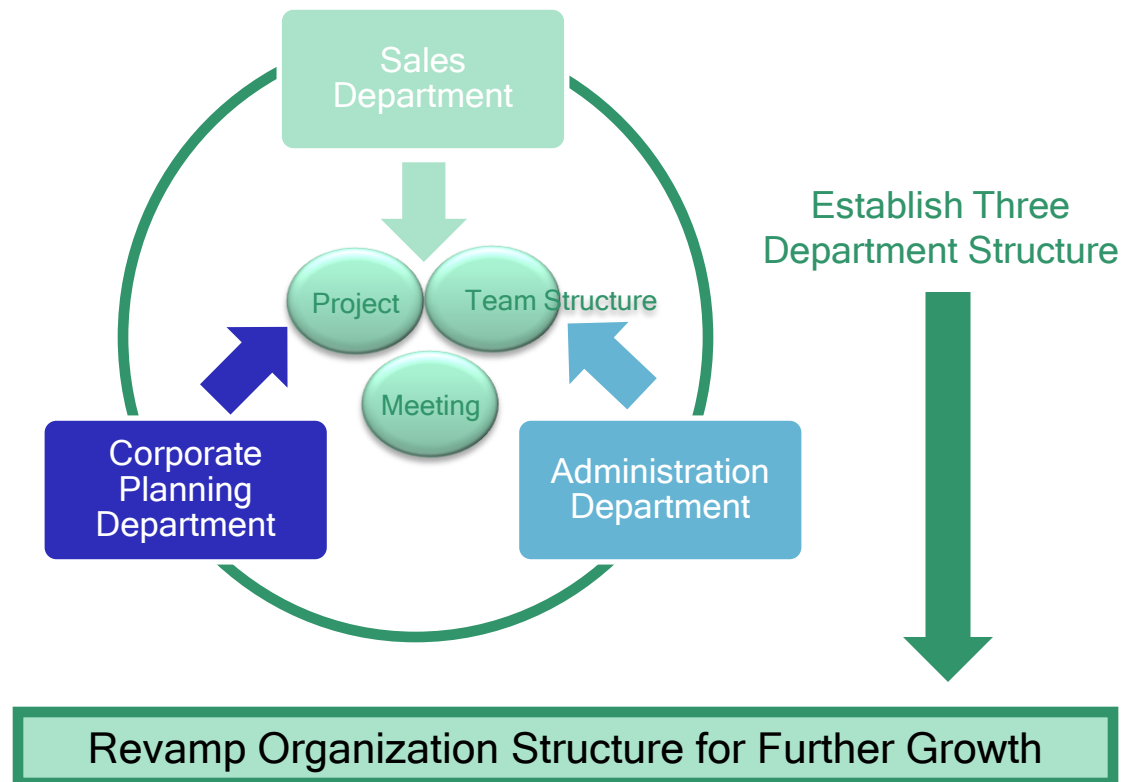


Need to Strengthen HQ Functions as Business Grows

Problems

- Lack of communication between business units
- Decreased levels of information sharing
- Breakdown of cross-checking functions

Solutions

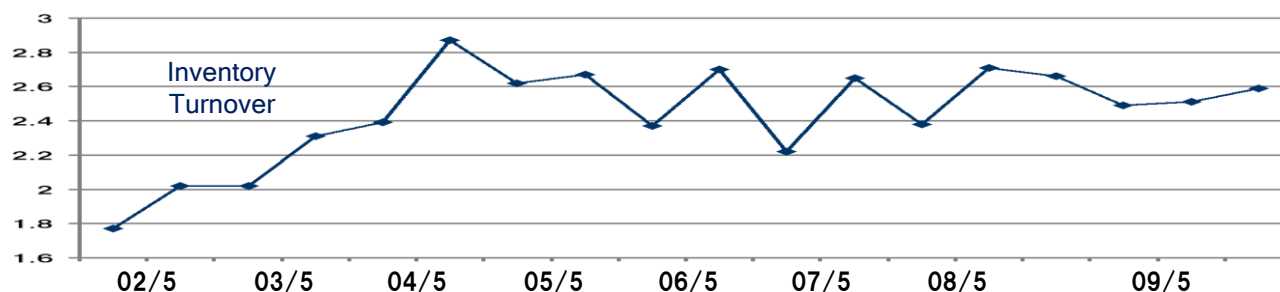


Inventory Control

Inventory Trends at Existing Stores

	07/08	07/11	08/2	08/05	08/8	08/11	09/02	09/05
Cash Flow from Operating Activities	-586	459	328	1,076	-393	-565	-1,694	-669
■ Net Income Before Tax	691	1,276	2,373	2,917	744	1,116	2,276	3,149
■ Change in Inventories	45	-1,055	-1,076	-1,126	-421	-2,768	-2,900	-3,107
Change in Inventories(Comp Stores)	-55	622	542	403	145	934	899	666
Change in Inventories (New Stores)	41	440	502	885	285	1,901	2,082	2,620
Change in Inventories (Other)	-31	8	31	39	-9	-31	-24	-100
Inventory Valuation Losses	-	-	-	-202	-	-38	-57	-79
■ Other	-1,325	239	-968	-714	-716	1,084	-1,070	-711
Cash Flow from Investing Activities	161	-74	-147	-306	-225	-1,102	-1,379	-1,678
Cash Flow from Financing Activities	412	398	463	181	372	990	3,044	2,383
Free Cash Flow	-425	385	181	770	-618	-1,667	-3,073	-2,347
Additional Information								
Number of Comp Stores (Calculated)	205	205	204	203	203	215	211	219
Change in Inventory per Comp Store	-0.2	3.0	2.6	2.0	0.7	4.3	4.2	3.0

Inventory Turnover Trend



Forecasts (VV Parent)

Store Opening Plan

	FY05/08 Actual Results	FY05/09 Actual Results	FY05/10 Plan		
	FY	FY	1H	2H	FY
Openings	27	59	15	18	33
Village Vanguard	22	42	14	16	30
new style	3	8	0	0	0
QK	1	5	0	0	0
Diner	1	4	1	2	3
Closures	5	6	1	0	1
Village Vanguard	5	6	1	0	1
new style	-	-	0	0	0
QK	-	-	0	0	0
Diner	-	-	0	0	0

Income Statement

(Million Yen)

	FY05/08 (Actual Results)				FY05/09 (Actual Results)				FY05/10 (Plan)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	6,118	12,047	19,761	26,859	7,096	14,240	23,678	32,075	8,170	15,980	25,950	35,879
As % of Plan	-	-	-	-	-	-	-	-	-	-	-	-
YoY (%)	123.6	122.0	119.7	118.5	116.0	118.2	119.8	119.4	116.0	118.2	119.8	119.4
SG&A	1,703	3,581	5,567	7,596	2,092	4,613	7,199	9,821	2,534	5,195	8,020	11,005
As % of Plan	-	-	-	-	-	-	-	-	-	-	-	-
YoY (%)	121.6	120.7	120.4	119.5	122.8	128.8	129.3	129.3	1211	112.6	111.4	112.1
Labor Cost	756	1,566	2,393	3,240	911	1,913	2,965	4,064	1,157	2,339	3,553	4,785
As % of Plan	-	-	-	-	-	-	-	-	-	-	-	-
YoY (%)	117.8	119.3	117.9	118.6	120.5	122.2	123.9	125.4	127.0	122.2	119.8	117.8
Consumables Cost	62	152	230	333	124	361	461	587	116	224	342	531
As % of Plan	-	-	-	-	-	-	-	-	-	-	-	-
YoY (%)	102.5	96.7	110.3	113.7	199.5	237.9	200.2	175.9	93.1	62.1	74.1	90.5
Commissions Paid	32	143	195	270	45	214	335	485	70	232	313	474
As % of Plan	-	-	-	-	-	-	-	-	-	-	-	-
YoY (%)	136.3	153.8	152.0	124.2	141.9	150.1	171.5	179.6	154.1	108.2	93.3	97.7
Operating Profit	680	1,239	2,310	3,043	729	1,088	2,240	3,125	756	1,244	2,427	3,452
As % of Plan	-	-	-	-	-	-	-	-	-	-	-	-
YoY (%)	141.0	141.5	133.0	124.8	107.3	87.8	97.0	102.7	103.7	114.3	108.4	110.5
Recurring Profit	693	1,277	2,373	3,129	758	1,141	2,314	3,200	769	1,274	2,472	3,507
As % of Plan	-	-	-	-	-	-	-	-	-	-	-	-
YoY (%)	140.8	140.2	133.2	124.9	109.3	89.3	97.5	102.3	101.4	111.7	106.8	109.6
Net Income	386	712	1,336	1,639	418	626	1,263	1,766	430	713	1,384	1,964
As % of Plan	-	-	-	-	-	-	-	-	-	-	-	-
YoY (%)	133.9	142.4	128.7	118.7	108.3	88.0	94.5	107.8	102.9	113.9	109.6	111.2

Balance Sheet

(Million Yen)

	FY05/08 (Actual Results)				FY05/09 (Actual Results)				FY05/10 (Plan)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Current Assets	12,972	14,725	14,604	15,310	15,839	17,742	18,323	18,895	19,016	20,422	19,987	21,401
As % of Total	79.6	81.1	81.0	81.4	81.4	79.8	80.4	80.2	80.4	81.6	81.6	82.1
Cash and Deposits	1,976	2,770	2,632	2,938	2,692	2,259	2,907	2,973	2,854	2,884	2,589	3,363
As % of Total	12.1	15.3	14.6	15.6	13.8	10.1	12.8	12.6	12.1	11.5	10.6	12.9
Inventory	9,284	10,385	10,406	10,456	10,877	13,223	13,357	13,563	13,660	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	57.8	61.2	61.9	59.9
Other Current Assets	1,711	1,569	1,565	1,915	2,268	2,260	2,058	2,357	2,501	2,221	2,227	2,423
As % of Total	10.5	8.6	8.6	10.2	11.7	10.2	9.0	10.0	10.6	9.4	9.4	10.2
Fixed Assets	3,331	3,441	3,415	3,506	3,608	4,483	4,474	4,652	4,633	4,600	4,519	4,671
As % of Total	20.4	18.9	19.0	18.6	18.6	20.2	19.6	19.8	19.6	18.4	18.4	17.9
Current Liabilities	4,814	5,957	5,329	5,859	6,309	8,059	6,567	7,142	7,146	8,017	6,765	8,055
As % of Total	29.5	32.8	29.6	31.1	32.4	36.3	28.8	30.3	30.2	32.0	27.6	30.9
Fixed Liabilities	1,780	2,176	2,032	1,995	1,811	2,632	4,058	3,730	3,453	3,671	3,736	3,432
As % of Total	10.9	12.0	11.3	10.6	9.3	11.8	17.8	15.9	14.6	14.7	15.2	13.2
Shareholders Capital	9,708	10,034	10,658	10,961	11,326	11,534	12,171	12,674	13,050	13,333	14,004	14,584
As % of Total	59.5	55.2	59.1	58.3	58.2	51.9	53.4	53.8	55.21	53.3	57.1	55.9
Total Assets	16,303	18,167	18,020	18,816	19,447	22,226	22,797	23,547	23,650	25,022	24,506	26,072
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)

	FY05/09 (Actual Results)				FY05/10 (Plan)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash Flow from Operating Activities	-393	-565	-1,694	-669	-38	157	-576	1,237
Changes in Inventory	-421	-2,766	-2,900	-3,107	-96	-1,753	-1,606	-2,050
Other	27	2,201	1,206	2,437	58	1,910	1,029	3,287
Cash Flow from Investing Activities	-225	-1,102	-1,379	-1,678	-119	-232	-301	-584
Capital Expenditures	-118	-757	-877	-1,072	-83	-143	-183	-303
Other	-106	-344	-502	-605	-36	-88	-118	-281
Cash Flow from Investment Activities	372	990	3,044	2,383	38	-14	493	-263
Increase in Cash and Equivalents	-245	-678	-31	35	-119	-89	-384	389
Period Beginning Amount	2,918	2,918	2,918	2,918	2,953	2,953	2,953	2,953
Period End Amount	2,672	2,239	2,887	2,953	2,834	2,864	2,569	3,343
Free Cash Flow	-619	-1,667	-3,073	-2,347	-158	-74	-878	652

Titicaca Co., Ltd.

FY05/09 Results Presentation Materials

Village Vanguard Corporation

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 May 2009)
■ No of Employees	46 Full Time and 102 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)



Apparel Type Store
Focusing on Apparel and
Fashion Accessories

(Yokohama, Kanagawa Prefecture)

Inside Titicaca Stores



Results and Forecasts (Titicaca)

Business Results



(Million Yen)

	FY05/09 (Actual Results)				FY05/10 (Plan)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	251	573	879	1,178	373	859	1,317	1,777
As % of Plan	100.0	98.4	97.7	96.6	-	-	-	-
YoY (%)	125.1	137.9	140.4	141.6	148.2	149.9	149.8	150.7
Operating Profit	10	36	43	36	20	61	83	84
As % of Plan	95.4	111.8	95.6	58.3	-	-	-	-
YoY (%)	94.9	389.6	-	-	116.2	171.3	181.3	234.4
Recurring Profit	8	29	34	25	16	53	70	67
As % of Plan	90.6	110.6	92.2	51.0	-	-	-	-
YoY (%)	876	389.6	-	-	115.4	180.1	193.3	262.9
Net Income	8	28	31	-9	16	53	70	65
As % of Plan	91.0	105.8	85.5	-	-	-	-	-
YoY (%)	84.9	238.6	-	-	107.9	188.2	207.3	-

1. Cumulative 12-Month Comparable Store Sales +24.1%

The goal of +30% YoY Increases was only achieved in two months out of twelve

2. Increase in Cost-of-Goods-Sold Ratio of +2.6% Compared to FY05/08

More purchasing from high cost domestic suppliers compared to FY05/08

3. Extraordinary Loss of 34 Million Yen

One-time expense of 20 million yen related to a move of HQ and adjacent warehouse

Extraordinary loss of 14 million yen related to store closures (7 stores) and renewals (2 stores)

- Addressing FY05/09 results topics:

1. Achieve Comparable Store Sales Targets

- Better in-store displays
- Better customer service

As a first step to build Taito fan base, strengthen our stores by creating retail space suited to customer tastes and buying behavior, and improve customer service capabilities

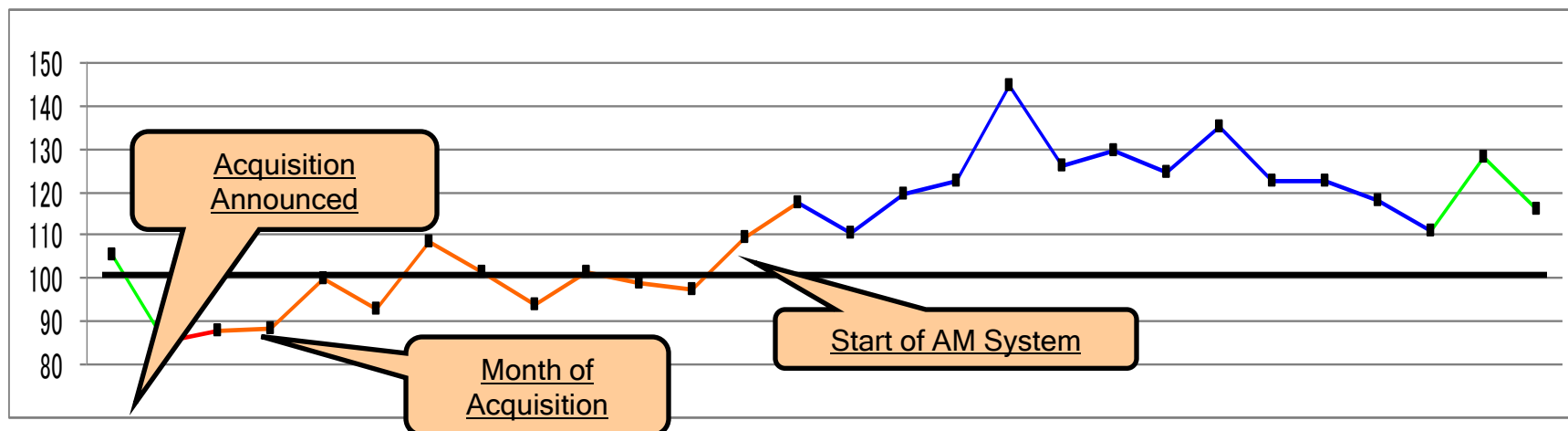
2. Continue Domestic Sourcing to Reinforce Merchandising

- To increase the variety of items, continue to source from high cost domestic suppliers

FY05/10 budget is calling for further 3.0% increase in COGS ratio.

However, we will attempt to control COGS by balancing the ratio of directly sourced imports and products we buy from other domestic companies.

1. Aim to Sustain 15% Growth in Comparable Store Sales



* Color Coded by Fiscal Year

Store Openings Plan	FY05/09 (Actual Results)	1H FY05/10 Plan	2H FY05/10 Plan
Openings	12	9	5
Closures	7	1	0



2. From Crisis Management to Principles Based Management

□ Measures Post Acquisition (May 2007)

Crisis Management = Stop Bleeding Red Ink

(Issues and measures at time of acquisition. Main theme: Lack of sense of crisis within the organization)

- Sharing the annual recurring loss by all employees
- Building of bottom-up (store level initiative driven) management system and introducing the role of area manager
- Building of cooperation relationship with financial institutions and other outside organizations



FY05/09 Achieving Annual Profitability at Recurring Level

- (• Turning black thanks to reality checks, data analysis, and organization-wide efforts to improve sales performance)

>>> To Build the Base for Future Growth <<<



From FY05/09 Start Implementation of “Instilling Management Principles” and “Strengthening the Organization” Initiatives



- Agenda for FY05/10 and Beyond

Instilling Management Principles and Strengthening the Organization

◆ Instilling Management Principles

- ① Create Management Principles and work on instilling of these Principles in all employees to heighten their sense of belonging
- ② Build a company wide communication network through such measures as publishing of internal magazine “Kizuna”(“Bond”), creating a corporate credo, and starting a corporate blog



□ Agenda for FY05/10 and Beyond

Instilling of the Management Principles and Strengthening the Organization

◆ Strengthening the Organization

Sales

- Training of Area Managers : Grow sales managers that can think and act autonomously
- Creating of Education Support Team : Reinforce training programs, educate new store managers, improve store operation manuals

Merchandising

- Reinforcing merchandising : 1) Focus on merchandising and sell-through analysis and follow-up by apparel and accessories categories
: 2) Balance imports and domestic sourcing, control costs
- Introducing product controller role : Optimize inventory and prevent sold-outs through better product control
- Creating an HQ sourcing team : More merchandise ideas and stronger sales for stores from "internal salespeople"

Logistics Services

- Outsourcing : Clearly understand segment profitability, control costs

Consolidated Results and Forecasts

Income Statement (Consolidated)

(Million Yen)

	FY05/08 (Actual Results)				FY05/09 (Actual Results)				FY05/10 (Plan)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	6,317	12,460	20,380	27,678	7,343	14,805	24,544	33,226	8,541	16,833	27,255	37,640
As % of Plan	-	-	-	-	-	-	101.8	102.1	-	-	-	-
YoY (%)	-	-	-	-	116.2	118.8	120.4	120.0	116.3	113.7	111.0	113.3
SG&A	1,857	3,897	6,047	8,244	2,270	4,993	7,791	10,622	2,773	5,708	8,826	12,127
As % of Plan	-	-	-	-	-	-	99.9	99.4	-	-	-	-
YoY (%)	-	-	-	-	122.3	128.1	128.8	128.9	122.1	114.3	113.3	114.2
Labor Cost	830	1,713	2,616	3,536	995	2,089	3,239	4,437	1,270	2,577	3,932	5,312
As % of Plan	-	-	-	-	-	-	98.5	97.6	-	-	-	-
YoY (%)	-	-	-	-	119.8	121.9	123.8	125.5	127.6	123.3	121.4	119.7
Consumables Cost	64	155	238	345	128	368	473	603	122	238	363	558
As % of Plan	-	-	-	-	-	-	93.2	95.2	-	-	-	-
YoY (%)	-	-	-	-	200.4	237.3	199.0	174.8	95.6	64.7	76.7	92.6
Commissions Paid	34	150	205	284	49	224	349	510	82	261	355	535
As % of Plan	-	-	-	-	-	-	111.5	115.6	-	-	-	-
YoY (%)	-	-	-	-	140.7	149.3	170.1	179.3	167.2	116.3	101.7	104.9
Operating Profit	677	1,225	2,277	2,980	731	1,105	2,256	3,122	767	1,286	2,483	3,481
As % of Plan	-	-	-	-	-	-	109.9	121.4	-	-	-	-
YoY (%)	-	-	-	-	108.0	90.2	99.1	104.8	104.9	116.4	110.0	111.5
Recurring Profit	688	1,253	2,322	3,041	753	1,144	2,308	3,171	775	1,294	2,493	3,519
As % of Plan	-	-	-	-	-	-	109.3	120.7	-	-	-	-
YoY (%)	-	-	-	-	109.4	91.3	99.4	104.3	102.8	113.1	108.0	111.0
Net Income	382	690	1,287	1,475	414	628	1,233	1,701	436	733	1,405	1,976
As % of Plan	-	-	-	-	-	-	107.6	121.0	-	-	-	-
YoY (%)	-	-	-	-	108.3	91.1	95.7	115.4	105.5	116.7	114.0	116.1

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

Balance Sheet (Consolidated)

(Million Yen)

	FY05/08 (Actual Results)				FY05/09 (Actual Results)				FY05/10 (Plan)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Current Assets	13,714	15,501	15,332	15,921	16,512	18,470	19,119	19,695	19,906	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	81.9	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	2,940	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	12.1	11.8	10.6	12.8
Inventory	9,777	10,865	10,900	10,927	11,340	13,711	13,881	14,131	14,276	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	58.8	62.1	62.7	60.9
Other Current Assets	1,842	1,689	1,702	2,008	2,421	2,372	2,225	2,486	2,689	2,346	2,458	2,607
As % of Total	11.0	9.1	9.2	10.5	12.2	10.5	9.5	10.3	11.1	9.1	9.7	9.7
Fixed Assets	3,019	3,125	3,119	3,200	3,299	4,218	4,227	4,383	4,391	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	18.1	17.0	17.1	16.6
Current Liabilities	4,949	6,123	5,511	6,053	6,586	8,361	6,933	7,525	7,593	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	31.3	33.0	28.8	31.9
Fixed Liabilities	2,080	2,490	2,330	2,272	2,068	2,955	4,436	4,108	3,876	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	16.0	15.9	16.7	14.6
Shareholders Capital	9,704	10,012	10,609	10,797	11,157	11,372	11,976	12,445	12,828	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	52.8	51.0	54.4	53.4
Total Assets	16,734	18,626	18,452	19,122	19,812	22,688	23,347	24,079	24,297	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 (Plan)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash Flow from Operating Activities	-419	-533	-1,758	-735	-119	159	-724	1,133
Changes in Inventory	-412	-2,783	-2,953	-3,203	-144	-1,837	-1,757	-2,253
Other	-6	2,250	1,194	2,467	25	1,996	1,033	3,386
Cash Flow from Investing Activities	-239	-1,182	-1,497	-1,803	-172	-321	-454	-737
Capital Expenditures	-127	-798	-947	-1,166	-113	-191	-267	-388
Other	-112	-383	-550	-636	-59	-130	-186	-349
Cash Flow from Financing Activities	422	1,119	3,284	2,633	153	112	777	-38
Increase in Cash and Equivalents	-234	-598	26	93	-137	-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	2,920	3,008	2,657	3,416
Free Cash Flow	-658	-1,715	-3,256	-2,539	-291	-162	-1,179	395

FY05/09

Results Presentation Materials

