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Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2024 (Based on Japanese GAAP)

December 24, 2024

Company name: Takashimaya Company, Limited
 Stock exchange listing: Tokyo
 Stock code: 8233 URL <https://www.takashimaya.co.jp>
 Representative: President Yoshio Murata
 Inquiries: General Manager, Public and Investor Relations Office Shuichiro Kurosu TEL (03)3211-4111

Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: No
 Holding of interim financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended November 30, 2024 (from March 1, 2024 to November 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Total operating revenue		Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2024	754,326	10.5	361,729	8.2	41,523	25.0	41,850	16.8	26,075	7.5
Nine months ended November 30, 2023	682,350	7.9	334,192	5.2	33,209	45.3	35,829	46.4	24,251	5.9

Note 1: Comprehensive income For the Nine months ended November 30, 2024 27,251 million yen [(22.3)%]

For the Nine months ended November 30, 2023 35,054 million yen [(5.4)%]

Note 2: Total operating revenue was calculated using the previous standard before the application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations.

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2024	82.75	70.32
Nine months ended November 30, 2023	76.87	65.40

Note: The Company has conducted a 2-for-1 stock split of shares of common stock on September 1, 2024. Earnings per share and diluted earnings per share are calculated assuming that this stock split occurred at the beginning of the previous consolidated fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2024	1,306,548	494,861	35.9
As of February 29, 2024	1,270,475	478,802	35.7

Reference: Equity As of November 30, 2024 469,334 million yen

As of February 29, 2024 454,079 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 29, 2024	-	17.00	-	20.00	37.00
Year ending February 28, 2025	-	23.00	-		
Year ending February 28, 2025 (Forecast)				11.50	-

Note 1: Revisions to the forecast of cash dividends most recently announced: No

Note 2: Regarding the year-end dividend per share for the fiscal year ending February 28, 2025 (forecast)

The Company has conducted a 2-for-1 stock split of shares of common stock, effective September 1, 2024. Therefore, the year-end dividend per share for the fiscal year ending February 28, 2025 (forecast) takes into account the effect of this stock split, and the total amount of annual dividends per share is displayed as "-." Without considering the stock split, the year-end dividend per share forecast for the fiscal year ending February 28, 2025 is 23 yen, resulting in an annual dividend per share of 46 yen. For details, please refer to "Proper use of earnings forecasts, and other special matters."

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 2025)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	495,000	6.2	55,000	19.7	58,000	17.9	38,000	20.2	121.28

Note 1: Revisions to the earnings forecasts most recently announced: No

Note 2: Earnings per share in the forecast for the fiscal year ending February 28, 2025 takes into account the effect of the stock split.

For details, please refer to "Proper use of earnings forecasts, and other special matters."

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2024
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing interim consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2024	327,655,216 shares	As of February 29, 2024	355,518,962 shares
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Number of treasury shares at the end of the period

As of November 30, 2024	15,772,680 shares	As of February 29, 2024	40,057,156 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2024	315,103,455 shares	Nine months ended November 30, 2023	315,463,258 shares
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Note: The Company has conducted a 2-for-1 stock split of shares of common stock on September 1, 2024. Total number of issued shares, number of treasury shares and average number of shares are calculated assuming that this stock split occurred at the beginning of the previous consolidated fiscal year.

* Review of the Japanese-language originals of the attached quarterly financial statements by certified public accountants or an audit corporation: No

* Proper use of earnings forecasts, and other special matters

(Caution concerning forward-looking statements and others)

- The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors. Please refer to "1. Qualitative Information about Consolidated Operating Results, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements" on page 5 of the attached materials for the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof.

(Dividend and Earnings Forecast after Stock Split)

At the Board of Directors meeting held on April 12, 2024, the Company passed a resolution concerning a stock split, determining to implement a 2-for-1 stock split (2 shares for each share of common stock) with an effective date of September 1, 2024. As a result, the dividend forecast and forecast of consolidated financial results for the fiscal year ending February 28, 2025, as calculated prior to consideration of the stock split, are as follows.

1. Dividend forecast for the fiscal year ending February 28, 2025

Dividends per share	fiscal year-end 23 yen (Note 1)
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Annual dividends per share for the fiscal year ending February 28, 2025 (before consideration of stock split) will be 46 yen.

2. Forecast of consolidated financial results for the fiscal year ending February 28, 2025

Earnings per share fiscal year-end 242.57 yen (Note 2)

(Note 1) The dividend amount is calculated before the stock split.

(Note 2) The Earnings per share is calculated before the stock split.

○ Table of Contents of the Attachment

1. Qualitative Information about Quarterly Consolidated Operating Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	4
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements	5
2. Quarterly Consolidated Financial Statements and Major Notes	6
(1) Quarterly Consolidated Balance Sheets	6
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income.....	8
Quarterly Consolidated Statements of Income	8
Quarterly Consolidated Statements of Comprehensive Income	9
(3) Quarterly Consolidated Statements of Cash Flows	10
(4) Notes to Quarterly Consolidated Financial Statements.....	12
[Notes on Premise of Going Concern]	12
[Notes on Substantial Changes in the Amount of Shareholders' Equity]	12
[Changes in Significant Subsidiaries During the Nine months Ended November 30, 2024]	12
[Segment Information]	13
[Significant Subsequent Events]	15
3. Supplemental Information	16
(1) Overview of Non-consolidated Financial Results	16
(2) Overview of Major Subsidiaries	18

1. Qualitative Information about Quarterly Consolidated Operating Results

(1) Explanation of Operating Results

During the first nine months under review (March 1, 2024 to November 30, 2024), the Japanese economy gradually shifted towards a positive cycle of rising prices and higher wages, with real wages turning positive for the first time in 27 months in June. A positive trend was also observed in consumer spending for the period from July to September, marking two consecutive quarters of growth.

On the other hand, it will be necessary to continue to closely monitor how the prolonged slowdown in the Chinese economy and future U.S. policies based on the results of its presidential election in November will impact Japan's financial markets (interest rates, foreign exchange rates, stock prices) and economy (prices, consumption, inbound demand).

Against that backdrop, we (Takashimaya Group) are working to build a resilient business foundation, including conducting forward-looking growth investments to fundamentally make our department stores more profitable and not be easily influenced by changes in our external environment.

*In December, we published the Takashimaya Group Integrated Report 2024.

To learn more about our value creation story and growth strategy, please visit the following web page.

<https://www.takashimaya.co.jp/corp/ir/togohoukoku/> (In Japanese)

Our earnings for the cumulative first nine months under review were operating revenue of 361,729 million yen (increase of 8.2% YoY), operating profit of 41,523 million yen (increase of 25.0% YoY), ordinary profit of 41,850 million yen (increase of 16.8% YoY), and profit attributable to owners of parent of 26,075 million yen (increase of 7.5% YoY).

Segment-specific earnings for each business were as follows.

Starting from the first quarter of the consolidated fiscal year, the Takashimaya Group changed its reporting segment classifications. This change reflects Group efforts to further strengthen ROIC management, which promotes business portfolio optimization and clarifies business-specific investment efficiency and profitability. Details are provided in “2. Quarterly Consolidated Financial Statements and Major Notes (4) Notes to Quarterly Consolidated Financial Statements [Segment Information].” Furthermore, the following figures from the same period of the previous fiscal year are indicated to reflect the revised reporting segments.

<Department Stores in Japan>

Operating revenue from the Department Stores in Japan segment was 230,232 million yen (increase of 8.6% YoY) and operating profit was 20,676 million yen (increase of 41.0% YoY).

Net sales were firm thanks to favorable net sales from inbound travelers and strong domestic customer net sales, which account for roughly 85 percent of all net sales. Looking at net sales by product type, sales of luxury brands and other high-ticket items were favorable and sales of fashion-related products such as women's clothing, men's clothing, and cosmetics also increased year on year. We have been achieving steady results in our curated sales spaces, which are a key focus, by enhancing both sales capabilities and merchandise lineups through the opening of the men's new clothing sales area ITEM SELECT (Nihombashi store, September), and the renovation of men's clothing select shop CS CASE Study (Yokohama store, October). The Takashimaya Group also held events linked to popular TV programs and seasonal events that were visited by many customers. We also proactively engaged in the dissemination of history and culture through Takashimaya Archives OSAKA, the base of our Archives activities, and Takashimaya Archives TOKYO, our base for disseminating new lifestyle culture. Going forward, the Takashimaya Group will continue enhancing its selection of high-quality products and services designed to meet the diverse needs of all customers while also disseminating culture that responds to intellectual needs, and will continue to attract new customers and encourage repeat business by leveraging the strengths of operating brick-and-mortar stores to offer a one-stop shopping experience.

With EC, since last year, we have worked to increase the convenience of shopping via our online store. Our efforts have included consolidating shipping work, which had been conducted by each store, into a central warehouse to shorten shipment lead times. In August, we celebrated the launch of TBEAUT, a dedicated online store for cosmetics, one of our major product categories. Going forward, we will promote efforts to expand merchandise based on customer needs and increase convenience. We will expand our customer base and increase net sales by leveraging the strengths of our brick-and-mortar stores to generate points of contact with customers through cross-platform referrals between stores and EC channels.

Gross margin ratio on total sales decreased year on year due in part to changes in product composition. Net sales from high-ticket items, which have a lower margin, grew significantly and outpaced sales growth for fashion-related items, which have a higher margin. However, gross margin increased year on year largely thanks to increased net sales. Going forward, the Takashimaya Group will further expand profits by promoting efforts to improve gross margin ratio, for example working with core vendors to increase the ratio of retail priced products.

We also were able to minimize the year-on-year increase in SG&A expenses. We focused on the aggressive injection of expenses towards human capital investments, including increases to base pay, and measures to strengthen sales capabilities, such as incorporating new brands. At the same time, we promoted cost reduction efforts, including pursuing further optimization of our store operating structure. Thanks to these efforts, the SG&A to total operating revenue ratio decreased compared to the previous year.

Going forward, we will continue to strengthen our merchandise lineups and sales capabilities to increase net sales and implement a range of measures aimed at improving our gross margin ratio and gross margin and to reduce costs.

<Overseas Department Stores>

Operating revenue from the Overseas Department Stores segment was 24,494 million yen (increase of 4.2% YoY) and operating profit was 5,539 million yen (decrease of 1.9% YoY).

Takashimaya Singapore net sales grew due to the impact of foreign currency. However, consumption remains stagnant in response to prolonged inflation and tourism has yet to return to pre-COVID-19 levels. Furthermore, profit declined due to an increase in personnel related expenses and other SG&A expenses.

Ho Chi Minh City Takashimaya recorded increased revenue and profit thanks to renovations to sales spaces and efforts to strengthen merchandising, including children's merchandise, a growth domain, and cosmetics and food, both highly popular product categories among customers.

Siam Takashimaya (Thailand) saw a slight decline in revenue. Despite continued efforts, including strengthening merchandising by incorporating Japanese brands to match customer preferences, and holding regional product exhibits, these initiatives could not overcome the impacts of declining domestic demand and the sales space remodeling work. At the same time, the scope of losses decreased thanks to an improved gross margin ratio and reduced costs.

Shanghai Takashimaya resulted in decreased revenue and a loss. Despite continued efforts to strengthen the store's revenue platform, including soliciting new tenants to adjust to changes in the market, performance was impacted by economic stagnation in China.

The Takashimaya Group will continue to pursue sustainable growth by analyzing the economic trends, consumer trends, and risks of each country while appropriately injecting management resources.

<Commercial Property Development in Japan>

Operating revenue from the Commercial Property Development in Japan segment was 30,455 million yen (increase of 7.1% YoY) and operating profit was 5,471 million yen (decrease of 16.4% YoY).

Toshin Development Co., Ltd. profit decreased. This was due to the significant impact of renovation construction for the Tamagawa Takashimaya Shopping Center this year and other expenses related to facility operation, despite the fact that the company recorded increased tenant rent income at the Kyoto Takashimaya Shopping Center, which opened in October 2023, and Tachikawa Takashimaya Shopping Center, which was renovated and reopened in November 2023. Kashiwa Takashimaya Station Mall is gradually undergoing a renewal, including securing tenants that strongly address regional needs, and BeARIKA, a multi-purpose community space, opened in September. We will continue to increase the value of the brick-and-mortar experience and cultivate new customers by creating attractive shopping center environments that serve essential roles in their respective communities.

<Overseas Commercial Property Development>

Operating revenue from the Overseas Commercial Property Development segment was 11,675 million yen (increase of 17.2% YoY) and operating profit was 4,901 million yen (increase of 44.9% YoY).

Toshin Development Singapore Pte. Ltd. recorded increased revenue and profit thanks to increased rent income and cost reductions.

The Vietnam business, for which the Group is steadily advancing development, also resulted in increased revenue and profit. In August, we opened our second bilingual school as part of our rental/leasing for school business in Hanoi, Vietnam (Operated by joint developer Edufit International Education Corporation Joint Stock Company). With regard to our participation in large-scale urban development projects in Haiphong, Vietnam's third largest city after Hanoi and Ho Chi Minh City, in addition to the construction blocks in which we participated in June, we decided to participate in new blocks in December. The Group will continue to concentrate investments on development in Vietnam, which we position as a growth driver, including the mixed-use development projects combining commercial businesses, offices, and residential housing currently underway in Hanoi. Through these efforts, we will pursue growth potential and profitability in Vietnam as a second revenue

pillar after Singapore.

<Finance>

Operating revenue from the Finance segment was 13,858 million yen (increase of 6.2% YoY) and operating profit was 3,626 million yen (increase of 5.9% YoY).

Takashimaya Financial Partners Co., Ltd. recorded increased revenue and profit on higher revenue from annual membership fees in the Card business, its revenue pillar, and higher revenue from fees due to an increase in transaction volume at department stores and external partner stores.

The Life Partner business increased the monthly contribution limits for Takashimaya's Card Tsumitate from 50,000 yen to 100,000 yen in line with Japan's new NISA scheme (a tax-free small-scale stock investment program) started this year, thereby increasing both the number of users and their contributions.

Vaste Culture & Cie., in which we acquired a majority stake in June and made a subsidiary, is also steadily contributing to profits. Going forward, we will expand business in the IFA (Independent Financial Advisor) market, which is a growing field, and provide high-quality private banking services.

<Construction & Design>

Operating revenue from the Construction & Design segment was 23,074 million yen (increase of 26.6% YoY) and operating profit was 1,520 million yen (compared to an operating loss of 483 million yen in the same period of the previous fiscal year).

Takashimaya Space Create Co., Ltd. recorded increased revenue and a return to profitability on an increase in orders received for commercial facilities, mainly large-scale projects such as hotels and luxury brands. We will build a platform for stable revenue by continuing to develop and hire dedicated human resources to strengthen our ability to conduct sales based on forward-looking proposals that incorporate advanced marketing and design capabilities.

<Others>

Operating revenue from other businesses was 27,939 million yen (decrease of 3.9% YoY) and operating profit was 1,072 million yen (decrease of 5.8% YoY).

The "Others" as a whole recorded decreased revenue and profit due to a decline in revenue and profit at our wholesaler Takashimaya Transcosmos International Commerce PTE, LTD., despite increased revenue and profit at our staffing business CENTURY & Co., Ltd. We will continue to achieve sustainable profit growth in each business by securing even greater industry competitiveness.

(2) Explanation of Financial Position

(i) Status of Assets, Liabilities and Net Assets

Total assets as of November 30, 2024 amounted to 1,306,548 million yen, up 36,072 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 27,877 million yen in notes and accounts receivable – trade, and contract assets relating to increased sales, and an increase of 9,012 million yen in investment securities relating to equity participation in new businesses overseas and growth in financial performance of entities accounted for using equity method.

Liabilities amounted to 811,686 million yen, up 20,013 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 10,553 million yen in interest-bearing debt (bonds and borrowings), an increase of 20,150 million yen in notes and accounts payable - trade relating to increased sales, and an increase of 8,640 million yen in contract liabilities.

Net assets amounted to 494,861 million yen, up 16,059 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 26,075 million yen in retained earnings due to profit attributable to owners of parent, a decrease of 6,782 million yen in retained earnings due to dividend payment, and a decrease of 4,348 million yen due to purchase of treasury shares.

As a result, the equity ratio was 35.9% (up 0.2 points from the end of the previous consolidated fiscal year).

(ii) Status of Cash Flows

Net cash provided by operating activities was 51,687 million yen, an increase of 13,673 million yen from the 38,014 million yen provided

in the same period of the previous consolidated fiscal year. This was mainly due to an increase of 6,410 million yen in profit before income taxes.

Net cash used in investing activities was 29,306 million yen, an increase of 6,988 million yen from 22,318 million yen used in the same period of the previous consolidated fiscal year. This was mainly due to a decrease of 5,219 million yen in net decrease (increase) in short-term loans receivable.

Net cash used in financing activities was 34,550 million yen, an increase of 17,973 million yen from 16,576 million yen used in the same period of the previous consolidated fiscal year. This was mainly due to an increase of 35,460 million yen in repayments of long-term borrowings, despite an increase of 28,000 million yen in proceeds from long-term borrowings.

When exchange differences are added to the above cash flows, cash and cash equivalents as of November 30, 2024 amounted to 82,368 million yen, down 10,529 million yen from the end of the previous consolidated fiscal year.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

As for our earnings, since the earnings are generally in line with the forecasts, there are currently no changes from the earnings forecasts at the time of the announcement of interim financial results on October 15, 2024.

2. Quarterly Consolidated Financial Statements and Major Notes
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	94,752	86,269
Notes and accounts receivable - trade, and contract assets	156,981	184,859
Merchandise and finished goods	35,904	42,508
Work in process	243	415
Raw materials and supplies	987	725
Other	39,709	50,998
Allowance for doubtful accounts	(733)	(617)
Total current assets	327,845	365,158
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	191,580	189,734
Land	419,852	419,853
Leased assets, net	829	685
Right-of-use assets, net	123,628	120,675
Other, net	21,349	22,627
Total property, plant and equipment	757,240	753,577
Intangible assets		
Goodwill	2,467	2,722
Leasehold interests in land	11,269	11,125
Right-of-use assets	6,566	6,332
Other	15,269	15,090
Total intangible assets	35,574	35,271
Investments and other assets		
Investment securities	101,495	110,508
Guarantee deposits	25,948	24,066
Other	24,533	20,070
Allowance for doubtful accounts	(2,162)	(2,104)
Total investments and other assets	149,815	152,540
Total non-current assets	942,629	941,389
Total assets	1,270,475	1,306,548

(Millions of yen)

	As of February 29, 2024	As of November 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	124,137	144,288
Short-term borrowings	43,580	35,040
Lease liabilities	8,346	8,922
Income taxes payable	4,574	3,143
Contract liabilities	98,646	107,287
Gift certificates	41,868	41,483
Provision for point card certificates	2,190	2,277
Other	93,971	93,976
Total current liabilities	417,315	436,418
Non-current liabilities		
Bonds payable	80,143	80,120
Long-term borrowings	85,228	83,237
Lease liabilities	128,515	126,597
Asset retirement obligations	6,635	4,931
Retirement benefit liability	39,103	38,077
Provision for retirement benefits for directors (and other officers)	264	261
Other	34,468	42,042
Total non-current liabilities	374,357	375,268
Total liabilities	791,673	811,686
Net assets		
Shareholders' equity		
Share capital	66,025	66,025
Capital surplus	54,790	37,507
Retained earnings	320,867	334,703
Treasury shares	(32,692)	(14,299)
Total shareholders' equity	408,991	423,936
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,944	10,884
Deferred gains or losses on hedges	3	(0)
Revaluation reserve for land	3,972	3,972
Foreign currency translation adjustment	25,050	26,722
Remeasurements of defined benefit plans	4,116	3,819
Total accumulated other comprehensive income	45,087	45,398
Non-controlling interests	24,722	25,526
Total net assets	478,802	494,861
Total liabilities and net assets	1,270,475	1,306,548

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Nine months ended November 30, 2024)

(Millions of yen)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Operating revenue	334,192	361,729
Net sales	274,610	297,623
Cost of sales	131,206	142,440
Gross profit	143,404	155,183
Other operating revenue	59,581	64,106
Operating gross profit	202,985	219,289
Selling, general and administrative expenses		
Advertising expenses	7,952	8,772
Provision for point card certificates	1,656	1,729
Provision of allowance for doubtful accounts	600	439
Remuneration, salaries and allowances for directors (and other officers)	45,605	47,751
Retirement benefit expenses	699	614
Rent expenses on real estate	17,012	17,339
Other	96,248	101,119
Total selling, general and administrative expenses	169,775	177,766
Operating profit	33,209	41,523
Non-operating income		
Interest income	1,670	1,372
Dividend income	1,044	473
Gain on adjustment of unused certificates	1,072	1,209
Share of profit of entities accounted for using equity method	1,841	3,034
Foreign exchange gains	634	-
Other	507	809
Total non-operating income	6,770	6,898
Non-operating expenses		
Interest expenses	3,900	5,895
Other	250	676
Total non-operating expenses	4,150	6,572
Ordinary profit	35,829	41,850
Extraordinary income		
Gain on sale of non-current assets	-	76
Gain on sale of investment securities	-	574
Gain on forgiveness of lease liabilities	58	27
Other	-	6
Total extraordinary income	58	685
Extraordinary losses		
Loss on retirement of non-current assets	2,009	1,719
Loss on store closings	-	663
Impairment losses	906	893
Other	132	10
Total extraordinary losses	3,049	3,286
Profit before income taxes	32,838	39,249
Income taxes - current	3,145	5,083
Income taxes - deferred	4,369	7,464
Total income taxes	7,514	12,547
Profit	25,323	26,701
Profit attributable to non-controlling interests	1,072	626
Profit attributable to owners of parent	24,251	26,075

(Quarterly Consolidated Statements of Comprehensive Income)
(Nine months ended November 30, 2024)

(Millions of yen)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Profit	25,323	26,701
Other comprehensive income		
Valuation difference on available-for-sale securities	2,253	(1,069)
Deferred gains or losses on hedges	3	(4)
Foreign currency translation adjustment	4,705	807
Remeasurements of defined benefit plans, net of tax	(259)	(292)
Share of other comprehensive income of entities accounted for using equity method	3,027	1,107
Total other comprehensive income	9,730	549
Comprehensive income	35,054	27,251
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	33,089	26,386
Comprehensive income attributable to non-controlling interests	1,964	865

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Cash flows from operating activities		
Profit before income taxes	32,838	39,249
Depreciation	25,549	24,630
Impairment losses	906	893
Amortization of goodwill	231	267
Increase (decrease) in allowance for doubtful accounts	(223)	(174)
Increase (decrease) in retirement benefit asset and liability, net	(2,672)	(3,614)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1)	(2)
Increase (decrease) in provision for point card certificates	5	86
Interest and dividend income	(2,714)	(1,845)
Interest expenses	3,900	5,895
Share of loss (profit) of entities accounted for using equity method	(1,841)	(3,034)
Loss (gain) on sale of non-current assets	-	(76)
Loss on retirement of non-current assets	2,009	1,719
Loss (gain) on sale of investment securities	-	(574)
Decrease (increase) in trade receivables	(38,240)	(27,753)
Decrease (increase) in inventories	(7,894)	(6,409)
Increase (decrease) in trade payables	29,562	20,181
Increase (decrease) in deposits received	5,009	(3,345)
Increase (decrease) in accounts payable - other	1,464	2,003
Increase (decrease) in contract liabilities	7,536	8,358
Other, net	(13,531)	1,656
Subtotal	41,895	58,111
Interest and dividends received	4,307	3,779
Interest paid	(3,830)	(5,773)
Income taxes paid	(4,358)	(4,429)
Net cash provided by (used in) operating activities	38,014	51,687
Cash flows from investing activities		
Payments into time deposits	(1,508)	(3,600)
Proceeds from withdrawal of time deposits	401	1,519
Purchase of short-term and long-term investment securities	(1,923)	(1,740)
Proceeds from sale and redemption of short-term and long-term investment securities	-	618
Purchase of property, plant and equipment and intangible assets	(21,722)	(22,862)
Proceeds from sale of property, plant and equipment and intangible assets	3	86
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(0)	(326)
Purchase of shares of subsidiaries and associates	(258)	(819)
Net decrease (increase) in short-term loans receivable	1,979	(3,239)
Long-term loan advances	(1)	(113)
Other, net	711	1,171
Net cash provided by (used in) investing activities	(22,318)	(29,306)

(Millions of yen)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024
Cash flows from financing activities		
Proceeds from long-term borrowings	–	28,000
Repayments of long-term borrowings	(3,120)	(38,580)
Repayments of lease liabilities	(8,046)	(6,602)
Purchase of treasury shares	(1)	(4,348)
Decrease (increase) in cash segregated as deposits for purchase of treasury shares	–	(5,652)
Dividends paid	(4,889)	(6,782)
Other, net	(518)	(584)
Net cash provided by (used in) financing activities	(16,576)	(34,550)
Effect of exchange rate change on cash and cash equivalents	5,197	1,638
Net increase (decrease) in cash and cash equivalents	4,317	(10,529)
Cash and cash equivalents at beginning of period	88,631	92,898
Cash and cash equivalents at end of period	92,948	82,368

(4) Notes to Quarterly Consolidated Financial Statements

[Notes on Premise of Going Concern]

Not applicable.

[Notes on Substantial Changes in the Amount of Shareholders' Equity]

The Company canceled 13,931,873 treasury shares with a value of 22,851 million yen on April 26, 2024 based on a resolution at a Board of Directors' meeting held on April 12, 2024. Accordingly, in the first quarter of the current year, capital surplus decreased by 17,393 million yen and retained earnings decreased by 5,457 million yen.

In addition, the Company purchased 3,578,300 treasury shares in the first nine months of the current fiscal year based on a resolution at a Board of Directors' meeting held on October 15, 2024. Accordingly, in the first nine months of the current fiscal year, treasury shares increased by 4,347 million yen.

As a result, looking at the balances as of November 30, 2024, capital surplus was 37,507 million yen, retained earnings were 334,703 million yen and treasury shares were 14,299 million yen.

[Changes in Significant Subsidiaries During the Nine months Ended November 30, 2024]

(i) Significant changes in the scope of consolidation

In the second quarter of the consolidated period under review, Vaste Culture & Cie. (Finance segment) has been included in the scope of consolidation.

(ii) Significant changes in the scope of application of the equity method

Not applicable.

[Segment Information]

(i) Nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)

a). Information about amounts of operating revenue and profit (loss) by reportable segment

(Millions of yen)

	Department Stores in Japan	Overseas Department Stores	Commercial Property Development In Japan	Overseas Commercial Property Development	Finance	Construction & Design	Total of Reportable Segments	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Operating revenue:											
Outside Customers	211,962	23,509	28,428	9,958	13,044	18,221	305,126	29,066	334,192	—	334,192
Intersegment	12,451	696	16,121	248	3,062	2,873	35,455	10,276	45,732	(45,732)	—
Total	224,414	24,206	44,550	10,207	16,106	21,095	340,581	39,343	379,924	(45,732)	334,192
Segment profit (loss)	14,666	5,645	6,546	3,383	3,423	(483)	33,181	1,138	34,319	(1,109)	33,209

Notes: 1. The “Others” segment refers to business segments not included in reportable segments, such as the home shopping business, the wholesale business, the advertising and promotion business and restaurant business.

2. Adjustments to segment profit of (1,109) million yen consist of (362) million yen in eliminations of intersegment transactions and (746) million yen in depreciation of company-wide assets not allocated to each reportable segment.

3. Segment profit (loss) is adjusted with operating profit in the interim consolidated statements of income.

b). Information about impairment loss of non-current assets or goodwill, etc. by reportable segment

(Significant impairment loss on non-current assets)

An impairment loss of 858 million yen was recorded in the “Department Stores in Japan” segment, and an impairment loss of 48 million yen was recorded in the “Commercial Property Development in Japan” segment.

(ii) Nine months ended November 30, 2024 (from March 1, 2024 to November 30, 2024)

a). Information about amounts of operating revenue and profit by reportable segment

(Millions of yen)

	Department Stores in Japan	Overseas Department Stores	Commercial Property Development In Japan	Overseas Commercial Property Development	Finance	Construction & Design	Total of Reportable Segments	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Operating revenue:											
Outside Customers	230,232	24,494	30,455	11,675	13,858	23,074	333,790	27,939	361,729	—	361,729
Intersegment	13,068	710	7,671	466	3,128	2,594	27,640	11,886	39,526	(39,526)	—
Total	243,300	25,204	38,127	12,141	16,987	25,669	361,430	39,825	401,256	(39,526)	361,729
Segment profit	20,676	5,539	5,471	4,901	3,626	1,520	41,737	1,072	42,809	(1,286)	41,523

Notes: 1. The “Others” segment refers to business segments not included in reportable segments, such as the home shopping business, the wholesale business, the advertising and promotion business and restaurant business.

2. Adjustments to segment profit of (1,286) million yen consist of (442) million yen in eliminations of intersegment transactions and (843) million yen in depreciation of company-wide assets not allocated to each reportable segment.

3. Segment profit is adjusted with operating profit in the interim consolidated statements of income.

b). Changes in Reportable Segments

From the first quarter of the fiscal year ending February 28, 2025, the Company has changed its reportable segments as shown below in order to optimize the business portfolio and further promote ROIC management that clarifies investment efficiency, profitability and other items by business under the new Medium-Term Management Plan.

The department stores in Japan and overseas that were included in the “Department Store” segment have been separated into the “Department Stores in Japan” and “Overseas Department Stores” segments. In addition, the commercial property development in Japan and overseas that were included in the “Commercial Property Development” segment have likewise been separated into the “Commercial Property Development in Japan” and “Overseas Commercial Property Development” segments. Furthermore, R.T. Corporation Ltd., which is involved in the development and operation of restaurants and cafes, etc., was previously included in the “Department Store” segment but has now been moved to the “Others” segment as “Restaurants.”

Please note that in the segment information for the nine months ended November 30, 2023, figures have been adjusted to reflect these changes.

c). Information about impairment loss of non-current assets or goodwill, etc. by reportable segment

(Significant impairment loss on non-current assets)

An impairment loss of 834 million yen was recorded in the “Department Stores in Japan” segment, and an impairment loss of 59 million yen was recorded in the “Others” segment.

(Significant change in the amount of goodwill)

In the second quarter of the consolidated period under review, Vaste Culture & Cie. has been included in the scope of consolidation. As a result, goodwill of 500 million yen was recognized in the “Finance” segment.

[Significant Subsequent Events]

(Termination of Operations of a Store)

The Company passed a resolution at a Board of Directors' meeting held on December 3, 2024 to terminate operations of the Takashimaya Sakai Store.

1. Background Leading to the Termination of Operations

The Takashimaya Sakai Store has continued to operate for approximately 60 years since its opening in October 1964. Over that time, the Company has taken measures to strengthen its sales capabilities such as by renovating the groceries section and securing major tenants to suit local needs. At the same time, the Company has also worked to improve operational efficiency and optimize the number of personnel.

Unfortunately, the store has been operating at a loss since recording an operating loss in FY2020. Moreover, even taking into account the uncertain consumer environment and other factors in the medium to long term, the Company sees no prospect of the store returning to profitability.

Accordingly, the Company has resolved to terminate operations of the Takashimaya Sakai Store on January 7, 2026, taking into account the expiration of its building lease agreement.

2. Overview of the Takashimaya Sakai Store

(1)	Location	59 Mikunigaokamiyukidori, Sakai-ku, Sakai-shi, Osaka
(2)	Store manager	Tsukasa Nami
(3)	Date opened	October 4, 1964
(4)	Sales	10,337 million yen (department store) * Fiscal year ended February 29, 2024
(5)	Sales floor area	25,395 m ² (department store: 15,957 m ² ; specialty stores: 9,438 m ²) * As of November 30, 2024
(6)	Number of employees	156 * As of November 30, 2024

3. Scheduled Date of the Termination of Operations

Wednesday, January 7, 2026

4. Future Outlook

The impact of this termination of operations on the consolidated financial results for the fiscal year ending February 28, 2025 will be minor.

3. Supplemental Information

(1) Overview of Non-consolidated Financial Results

Non-consolidated financial results for the nine months ended November 30, 2024

(i). Results

(millions of yen, %)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024	Year on year (amount)	Year on year (%)
Operating revenue	224,274	243,359	19,084	8.5
Total operating revenue	542,216	606,977	64,760	11.9
Net sales	205,284	223,480	18,195	8.9
Total sales	531,089	595,252	64,162	12.1
Gross profit ratio	53.91	53.95	0.04	—
Total gross profit ratio	22.36	21.72	(0.64)	—
Selling, general and administrative expenses	116,182	120,830	4,647	4.0
Operating profit	13,470	19,608	6,137	45.6
Ordinary profit	18,645	29,950	11,304	60.6
Profit	14,546	22,039	7,492	51.5

Note: Total operating revenue, total sales and total gross profit ratio were calculated using the previous standard before the application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations.

(ii). Sales by store

(millions of yen, %)

	Nine months ended November 30, 2023		Nine months ended November 30, 2024		Year on year (amount)	Year on year (%)
	Amount	Ratio of sales (%)	Amount	Ratio of sales (%)		
Osaka store	112,353	21.2	132,980	22.3	20,627	18.4
Sakai store	7,423	1.4	7,317	1.2	(106)	(1.4)
Kyoto store	69,627	13.1	81,429	13.7	11,802	17.0
Semboku store	10,760	2.0	10,566	1.8	(193)	(1.8)
Nihombashi store	106,651	20.1	115,948	19.5	9,297	8.7
Yokohama store	97,377	18.3	104,210	17.5	6,833	7.0
Shinjuku store	63,185	11.9	72,302	12.2	9,117	14.4
Tamagawa store	33,612	6.3	34,454	5.8	842	2.5
Omiya store	5,119	1.0	4,967	0.8	(151)	(3.0)
Kashiwa store	24,979	4.7	24,295	4.1	(684)	(2.7)
EC Division	—	—	6,779	1.1	—	—
Takashimaya Co., Ltd. Total	531,089	100.0	595,252	100.0	64,162	12.1
Okayama Takashimaya Co., Ltd.	13,427		12,223		(1,204)	(9.0)
Gifu Takashimaya Co., Ltd.	9,185		6,888		(2,297)	(25.0)
Takasaki Takashimaya Co., Ltd.	11,772		12,064		291	2.5
Total (including domestic subsidiaries)	565,475		626,428		60,952	10.8

Notes: 1. The Kyoto Store includes the Rakusai Store.

2. Beginning from the first quarter of the current fiscal year, the presentation of sales of the EC Division was changed to individual listing.

3. The sales of 6,934 million yen of the EC Division for the nine months ended November 30, 2023 are included in the sales for the Osaka, Kyoto and Nihombashi stores.

4. The online store sales of the total (including domestic subsidiaries) are included in the sales of the EC Division and each store.

5. The corporate business and cross-media business sales are included in the stores in the regions where each business is located.

6. The sales before the application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations are presented.

7. Store operations of Gifu Takashimaya Co., Ltd. ended on July 31, 2024.

(iii). Selling, general and administrative expenses

(millions of yen, %)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024	Year on year (amount)	Year on year (%)
Personnel expenses	35,200	35,884	684	1.9
Advertising expenses	7,814	8,526	711	9.1
Administrative expenses and General affairs expenses	53,469	56,735	3,266	6.1
Accounting related expenses	19,698	19,683	(15)	(0.1)
Total	116,182	120,830	4,647	4.0

(iv). Non-operating income and expenses

(millions of yen, %)

	Nine months ended November 30, 2023	Nine months ended November 30, 2024	Year on year (amount)	Year on year (%)
Non-operating income	7,202	13,403	6,201	86.1
Interest income and Dividend income	6,036	12,166	6,129	101.5
Miscellaneous income	1,165	1,237	72	6.2
Non-operating expenses	2,027	3,061	1,034	51.0
Interest expenses	1,362	1,474	111	8.2
Miscellaneous losses	664	1,587	922	138.8

(v). Extraordinary income and losses

(millions of yen)

	Nine months ended November 30, 2023		Nine months ended November 30, 2024	
Extraordinary income	—	—	Gain on sale of non-current assets	76
	—	—	Gain on sale of investment securities	267
	Total	—	Total	343
Extraordinary losses	Loss on retirement of non-current assets	1,555	Loss on retirement of non-current assets	1,489
	Impairment losses	0	Impairment losses	893
	Other	37	Other	292
	Total	1,593	Total	2,675

(2) Overview of Major Subsidiaries

Financial results of the major consolidated subsidiaries for the nine months ended November 30, 2024

(millions of yen)

	Nine months ended November 30, 2023		Nine months ended November 30, 2024	
	Operating revenue	Operating profit (loss)	Operating revenue	Operating profit (loss)
Takashimaya Singapore Ltd.	17,970	5,422	18,965	5,144
Shanghai Takashimaya Co., Ltd.	2,194	46	1,811	(135)
Takashimaya Vietnam Ltd.	2,161	535	2,557	689
Toshin Development Co., Ltd.	44,551	6,559	38,127	5,471
Toshin Development Singapore Pte. Ltd.	7,968	2,541	9,045	3,574
Takashimaya Financial Partners Co., Ltd.	16,106	3,423	16,673	3,565
Takashimaya Space Create Co., Ltd.	21,095	(483)	25,669	1,520

Note: For Takashimaya Singapore Ltd., Shanghai Takashimaya Co., Ltd., Takashimaya Vietnam Ltd., and Toshin Development Singapore Pte. Ltd., the nine months of each fiscal year is the period from January 1 to September 30.