Translation

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Summary of Interim Consolidated Financial Results for the Six Months Ended August 31, 2025 (Based on Japanese GAAP)

October 14, 2025

Company name:	Takashimaya Company, Limited			
Stock exchange listing:	Tokyo			
Stock code:	8233 URL https://www.takashimaya.co.jp			
Representative:	President	Yoshio Murata		
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Scheduled date to file Interim Securities Report:	October 14, 2025
Scheduled date to commence dividend payments:	November 25, 2025
Preparation of supplementary material on interim financial results:	Yes
Holding of interim financial results meeting:	Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Interim Consolidated financial results for the six months ended August 31, 2025 (from March 1, 2025 to August 31, 2025)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Total operating revenue		Operating revenue		Operating profit		Business profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2025	487,186	(3.9)	235,362	(3.3)	23,653	(17.8)	25,153	(20.2)	22,010	(27.2)	21,219	11.2
Six months ended August 31, 2024	506,714	13.2	243,431	10.1	28,760	38.2	31,528	41.7	30,238	36.3	19,078	27.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended August 31, 2025	70.14	59.15
Six months ended August 31, 2024	60.47	51.40

Note 1: Comprehensive income For the six months ended August 31, 2025 17,393 million yen [(31.3)%]
For the six months ended August 31, 2024 25,300 million yen [4.3%]

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.

Note 3: The term "Business profit" is the Company's original indicator, calculated by adding share of profit of entities accounted for using equity method and dividend income to operating profit.

Note 4: 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 August 31, 2025	1,299,285	508,368	37.1
As of February 28, 2025	1,296,012	500,348	36.5

Reference: Equity As of August 31, 2025 482,400 million yen
As of February 28, 2025 473,048 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 28, 2025	—	23.00	—	13.00	—
Year ending February 28, 2026	—	17.00	—	—	—
Year ending February 28, 2026 (Forecast)	—	—	—	17.00	34.00

Note 1: Revisions to the forecast of cash dividends most recently announced: Yes

Note 2: The Company conducted a 2-for-1 stock split of its common shares on September 1, 2024. The amounts shown for the dividends per share for the second quarter-end of the fiscal year ended February 28, 2025 are amounts based on conditions before the stock split. For the year-end dividend per share for the fiscal year ended February 28, 2025, the amount that takes into account the effect of this stock split is shown. Accordingly, "–" is shown for the total annual dividends for the same year.

3. Forecast of consolidated financial results for the year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

Percentages indicate year-on-year changes

	Total operating revenue		Operating revenue		Operating profit		Business profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,015,000	(1.7)	491,400	(1.4)	52,500	(8.7)	57,000	(10.0)	53,000	(12.2)	40,000	1.2	133.94

Note 1: Revisions to the earnings forecasts most recently announced: Yes

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.

Note 3: The term "Business profit" is the Company's original indicator, calculated by adding share of profit of entities accounted for using equity method and dividend income to operating profit.

Note 4: The Company resolved to purchase and cancel its treasury shares at the meeting of the Board of Directors held on June 30, 2025. The estimated impact of acquisition of own shares and cancellation of treasury stock are taken into account in regard to "Earnings per share" in the forecast for fiscal year ending February 28, 2026.

4. Notes

(1) Changes in significant subsidiaries during the six months ended August 31, 2025 (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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

Note: Please refer to 2. Interim Consolidated Financial Statements and Major Notes, (4) Notes to Interim Consolidated Financial Statements [Notes on Changes in Accounting Policies] on page 11.

(4) Number of issued shares (common shares)

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

As of August 31, 2025	315,566,316 shares	As of February 28, 2025	315,566,316 shares

Number of treasury shares at the end of the period

As of August 31, 2025	16,236,514 shares	As of February 28, 2025	12,194,482 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2025	302,527,582 shares	Six months ended August 31, 2024	315,461,463 shares

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

* Interim financial results reports are exempt from interim review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

(Cautionary statement regarding forward-looking statements, etc.)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Group and on certain assumptions deemed to be reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Group. 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.

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1. Qualitative Information about Interim Consolidated Operating Results

(1) Explanation of Operating Results

Japanese socio-economics during the first six months under review (March 1 to August 31, 2025) remained resilient. For example, real GDP and consumer spending have risen for five consecutive quarters up to the April to June period. Furthermore, real wages increased compared to the same month in the previous year for the first time in seven months in July and the Nikkei Stock Average hit a record high in August. Including the wealth effect, these and other positive signs indicate that consumer sentiment is currently undergoing a gradual recovery. Moreover, the number of foreign visitors to Japan and spending are also progressing at a record pace. That is underpinning the Japanese economy. On the other hand, we continue to be unable to take an optimistic view about how the trade friction triggered by US tariff policies and geopolitical risks in the Middle East and elsewhere will affect finance markets (interest rates, exchange rates and stock prices) and the economy (cost of living, consumption and inbound demand) in the future.

Our earnings for the cumulative first six months under review were consolidated operating revenue of 235,362 million yen (decrease of 3.3% YoY), consolidated operating profit of 23,653 million yen (decrease of 17.8% YoY), consolidated business profit of 25,153 million yen (decrease of 20.2% YoY), consolidated ordinary profit of 22,010 million yen (decrease of 27.2% YoY), and profit attributable to owners of parent of 21,219 million yen (increase of 11.2% YoY).

Segment-specific earnings for each business were as follows.

<Department Stores in Japan>

Operating revenue from the Department Stores in Japan segment was 146,401 million yen (decrease of 6.1% YoY) and operating profit was 9,571 million yen (decrease of 33.6% YoY).

There was a big impact on net sales from the pullback in inbound demand that had expanded in the previous fiscal year due to the weak yen. Accordingly, net sales declined overall. Nevertheless, net sales from customers in Japan remained strong and exceeded sales in the previous fiscal year in an existing store comparison.

As a measure unique to our company, we will further promote efforts in which we collaborate with key business partners focused on our five large stores in the east and west of Japan, one of our strengths, to enhance our product appeal. We will rapidly respond to changes in customer needs by strengthening our merchandise according to regional characteristics and also expanding to small and medium-sized stores. Moreover, we will again enhance our item spaces and self-curated sales spaces and develop new products and services such as unique events focused on lifestyle, culture and sociality. Through these efforts, we will provide one-stop experience value that takes advantage of the strengths of our physical stores.

We made it possible to use the points of various Takashimaya cards in units of one from April. We will now take this opportunity to begin rebranding our card strategy to strengthen our customer base. We will continue to strengthen our efforts to both improve the satisfaction of existing customers and to capture the next-generation of customers based on point usage and card membership status. We also revamped the Takashimaya app in June. We will enhance the appeal of the app as an important customer contact tool. In addition to linking member IDs with our online store and strengthening the rewards function, we will take digital approaches among other efforts. Furthermore, we will take advantage of having outstanding overseas stores, such as in Singapore, to mutually refer customers to our stores in Japan. Through this, we will aim to promote and establish shopping around stores beyond international borders.

The gross margin ratio exceeded the ratio in the previous year at department stores. That was mainly due to a change in the sales composition ratio as a result of net sales from luxury brands and other products with a low-profit ratio being significantly lower than in the previous year especially from inbound customers. We will strengthen sales of clothing products, miscellaneous goods and other fashion items with a high-profit ratio through efforts in collaboration with key business partners. That will lead to an improvement in our essential gross margin ratio.

In terms of SG&A expenses, we continue to allocate expenses to promote human capital management such as by increasing base pay. In addition, we appropriately invested expenses that will lead to an enhancement of our marketing capabilities, including the development of new events, after carefully assessing their effectiveness. On the other hand, we also minimized the increase in expenses from the previous year by promoting efforts to cut costs at the same time. Going forward, we will continue to take additional measures according to the situation such as by further improving the efficiency of our store management structure.

<Overseas Department Stores>

Operating revenue from the Overseas Department Stores segment was 16,093 million yen (decrease of 3.3% YoY) and operating profit was 3,790 million yen (decrease of 3.2% YoY).

Takashimaya Singapore recorded a decrease in revenue and profit. This was due in part to the impact of exchange rates resulting from the strong yen in addition to stagnant consumption and rising costs amid prolonged inflation. We will look to increase net sales from domestic customers and tourists. We will achieve this by promoting efforts to strengthen our customer base in addition to reinforcing our merchandise of fashion-related products, foods and more.

Shanghai Takashimaya recorded a decrease in revenue and a loss. Despite continued efforts to strengthen the store's revenue base, including soliciting new tenants, results were greatly impacted by the slowdown in consumption due to economic stagnation.

Ho Chi Minh City Takashimaya recorded increased revenue and profit thanks to a strengthening of merchandising such as for children's merchandise, a growth field, and cosmetics, a highly popular product category among customers, while minimizing the increase in costs. We will continue to reorganize our product categories and brands and enhance our events to elevate our ability to attract customers to the store. That will lead to an increase in net sales.

Siam Takashimaya (Thailand) recorded a decrease in revenue and a loss. This was due in part to the impact of sluggish net sales from domestic customers and tourists because of the Myanmar earthquake that struck in March and rising geopolitical risks. We will continue to promote efforts to both maximize the effect from the sales floor revamp and to reduce costs.

<Commercial Property Development in Japan>

Operating revenue from the Commercial Property Development in Japan segment was 20,616 million yen (increase of 1.2% YoY) and operating profit was 3,419 million yen (decrease of 12.8% YoY).

Despite the impact on rent income from the work to revamp Tamagawa Takashimaya Shopping Center (S.C.), Toshin Development Co., Ltd. recorded an increase in revenue. That was because strengthening sales measures, including those for other facilities, led to an increase in customer traffic and sales (percentage rent and credit card fee income, etc.). On the other hand, profit decreased because of factors including an increase in the expenses involved in facility management such as the outsourcing expenses as a result of rising personnel related expenses and heating and lighting expenses.

The P. food court opened in West Wing Street in April at Tamagawa Takashimaya S.C. where a revamp is underway. Consisting of four restaurants showcasing diverse cultures and styles, this food court produces a new shopping environment that connects sidewalks, spaces and communities. In addition, in May, the Forest Garden and Rose Garden rooftop gardens were certified and registered as Nationally Certified Sustainably Managed Natural Sites* for the second half of the fiscal year 2024 by the Ministry of the Environment. This is the first time that an area operated by our Group has been certified and registered as a Nationally Certified Sustainably Managed Natural Site. We will continue to view the global environment as an important stakeholder. As such, we will contribute to the realization of a sustainable society across our whole group.

*This is the name of areas certified by the Ministry of the Environment as “areas where biodiversity conservation is promoted through the efforts of the private sector.”

<Overseas Commercial Property Development>

Operating revenue from the Overseas Commercial Property Development segment was 7,544 million yen (decrease of 3.6% YoY) and operating profit was 2,683 million yen (decrease of 14.5% YoY).

Toshin Development Singapore Pte. Ltd. recorded a decrease in revenue and profit. That was in part due to the impact on rent income from the increase in vacant lots because of revamping work, a strengthening of human capital investments, and an increase in expenses relating to facility management such as outsourcing expenses.

Our Vietnamese business, which is a growth driver for our group, is progressing steadily. We held the groundbreaking ceremony for the Westlake Square Hanoi development project in the capital, Hanoi, in August. We will construct a mixed-used building with three basement floors and 10 above-ground floors in the first phase of this project. In addition to commercial floors consisting of Takashimaya (department store), which will be making its debut in Hanoi, and specialty stores from the first basement floor to the sixth floor, the seventh to 10th floors will be available as office floors. We have designed the building with the aim of obtaining the highest level of Platinum in the U.S. Green Building Council’s LEED building environmental certification system. We are now engaging in leasing activities and store opening preparations for the opening of the building in the fall of 2027. Going forward, we will continue to hold assets for long durations and improve capital efficiency while controlling the size of our assets by combining investment in core businesses that realize sustainable growth with investment in short-term return business in the Overseas Commercial Property Development segment.

<Finance>

Operating revenue from the Finance segment was 10,056 million yen (increase of 12.0% YoY) and operating profit was 2,688 million yen (increase of 17.3% YoY).

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

We will take advantage of the change in the point system in the Card business to promote efforts to further raise our ability to capture new members and to expand transaction volume in department stores and specialty stores and on our electronic commerce website.

We obtained a license to operate as a bank agent with SBI Sumishin Net Bank, Ltd. serving as our affiliated bank in March in our Life Partner business. We then started opening bank accounts and giving information on banking products at financial counters. We will expand the range of products and services we handle at our financial counters by adding new banking products to our securities, insurance, inheritance, trust and other existing products. Through such efforts, we will aim to strengthen our ability to deal with general finance inquiries.

In the Investment and Lending business, we have begun offering corporate loans by leveraging the know-how and corporate network we have cultivated through social lending. We are working to expand this business.

Furthermore, we will expand our business in the independent financial advisor (IFA) market at Vaste Culture & Cie. We will provide high-quality private banking services. That will allow us to simultaneously strengthen our Group’s customer base and increase profits in the Finance segment.

<Construction & Design>

Operating revenue from the Construction & Design segment was 15,592 million yen (increase of 1.1% YoY) and operating profit was 1,530 million yen (increase of 30.0% YoY).

Takashimaya Space Create Co., Ltd. steadily received orders for commercial facilities, mainly large-scale projects such as hotels and luxury brands. Furthermore, strengthening cost management improved our profit ratio. That contributed to an increase in profit. We will build a platform for stable revenue by continuing to strengthen our ability to conduct sales based on forward-looking proposals that incorporate our sales and design capabilities.

<Others>

Operating revenue from other businesses was 19,058 million yen (increase of 4.0% YoY) and operating profit was 804 million yen (increase of 2.7% YoY).

The “Others” as a whole recorded increased revenue and profit. Our restaurant business R.T. Corporation Ltd. and our staffing business CENTURY & Co., Ltd. recorded an increase in revenue and profit. We will continue to strengthen our management foundations by promoting efforts to enhance our industry competitiveness in each business.

To realize our Grand Design for the milestone of our 200th anniversary in 2031, our management target for this fiscal year is to “accelerate growth through a surge in independence and co-creation: achieve seamlessness within our group.” We have three strengths: store location characteristics, excellent group companies and a broad customer base. To further enhance these strengths, we will realize a state in which each group business is equidistant from the customer’s perspective. In other words, we will achieve seamlessness. We will create a stress-free and inspiring shopping experience for our customers.

We will promote efforts to realize seamlessness. That will lead to the restructuring of our business portfolio and strengthening of our management foundations to be able to flexibly respond to further changes in the environment. We will then realize sustainable growth.

(2) Explanation of Financial Position

(i) Status of Assets, Liabilities and Net Assets

Total assets as of August 31, 2025 amounted to 1,299,285 million yen, up 3,273 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 12,747 million yen in cash and deposits, an increase of 24,766 million yen in notes and accounts receivable – trade, and contract assets, a decrease of 9,617 million yen in right-of-use assets due to the impact of foreign currency exchange at overseas subsidiaries, and an increase of 748 million yen in investment securities relating to higher stock prices and growth in financial performance of entities accounted for using equity method.

Liabilities amounted to 790,916 million yen, down 4,747 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 5,449 million yen in interest-bearing debt (bonds and borrowings) and a decrease of 8,939 million yen in lease liabilities due to the impact of foreign currency exchange at overseas subsidiaries.

Net assets amounted to 508,368 million yen, up 8,020 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 21,219 million yen in retained earnings from profit attributable to owners of parent, a decrease of 3,943 million yen in retained earnings due to payment of dividends, a decrease of 4,866 million yen due to purchase of treasury shares, and a decrease of 3,572 million yen in foreign currency translation adjustment at overseas subsidiaries.

As a result, the equity ratio was 37.1% (up 0.6 points from the end of the previous consolidated fiscal year).

(ii) Status of Cash Flows

Net cash provided by operating activities was 14,560 million yen, a decrease in inflow (an increase in outflow) of 17,648 million yen from 32,208 million yen provided in the same period of the previous consolidated fiscal year. This was mainly due to an increase of 13,824 million yen in net decrease (increase) in trade receivables and an increase of 4,011 million yen in income taxes paid.

Net cash used in investing activities was 13,487 million yen, a decrease in outflow (an increase in inflow) of 4,465 million yen from 17,953 million yen in net cash used in the same period of the previous consolidated fiscal year. This was mainly due to an increase of 17,459 million yen in proceeds from sale of property, plant and equipment and intangible assets despite an increase of 10,189 million in purchase of property, plant and equipment and intangible assets.

Net cash used in financing activities was 13,496 million yen, an increase of 808 million yen in outflow from 12,687 million yen used in the same period of the previous consolidated fiscal year. This was mainly due to an increase of 6,920 million yen in repayments of long-term borrowings, an increase of 5,132 million yen in net decrease (increase) in cash segregated as deposits for purchase of treasury shares, and an increase of 4,865 million yen in purchase of treasury shares, despite an increase of 17,000 million yen in proceeds from long-term borrowings.

When exchange differences are added to the above cash flows, cash and cash equivalents as of August 31, 2025 amounted to 74,207 million yen, down 14,352 million yen from the end of the previous consolidated fiscal year.

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

With regard to the Consolidated Earnings Forecasts, we have revised our forecasts for total operating revenue, operating revenue and operating profit as outlined below taking into account factors such as net sales and SG&A expenses trends in the Department Stores in Japan segment and results in the first six months under review in the Finance and Construction & Design segments following the earnings forecast we announced on June 30, 2025.

Consolidated earnings forecasts for the year ending February 28, 2026
(from March 1, 2025 to February 28, 2026)

	Total operating revenue	Operating revenue	Operating profit	Business profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Forecasts announced on June 30	1,020,000	493,000	50,000	57,000	53,000	40,000	134.82
Forecasts revised on October 14	1,015,000	491,400	52,500	57,000	53,000	40,000	133.94
Change (amount)	△5,000	△1,600	2,500	―	―	―	△0.88
Change (%)	△0.5	△0.3	5.0	―	―	―	―
Results for the previous year (Year ended February 28, 2025)	1,032,701	498,491	57,503	63,353	60,396	39,525	126.33

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	90,538	77,791
Notes and accounts receivable - trade, and contract assets	164,398	189,164
Merchandise and finished goods	35,366	35,060
Work in process	290	379
Raw materials and supplies	958	1,028
Other	42,621	47,119
Allowance for doubtful accounts	(671)	(672)
Total current assets	333,501	349,869
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	193,090	191,010
Land	419,861	421,672
Leased assets, net	586	428
Right-of-use assets, net	123,739	115,106
Other, net	22,495	23,816
Total property, plant and equipment	759,774	752,034
Intangible assets		
Goodwill	2,736	2,316
Leasehold interests in land	11,696	10,775
Right-of-use assets	6,899	5,914
Other	15,693	17,637
Total intangible assets	37,025	36,644
Investments and other assets		
Investment securities	119,967	120,715
Guarantee deposits	23,919	23,914
Retirement benefit asset	2,463	2,904
Other	21,557	15,726
Allowance for doubtful accounts	(2,197)	(2,524)
Total investments and other assets	165,710	160,737
Total non-current assets	962,510	949,415
Total assets	1,296,012	1,299,285

(Millions of yen)

	As of February 28, 2025	As of August 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	123,849	125,769
Short-term borrowings	37,672	16,281
Lease liabilities	9,313	9,158
Income taxes payable	7,233	6,533
Contract liabilities	100,744	103,079
Gift certificates	40,328	39,502
Provision for point card certificates	2,181	2,081
Other	94,223	93,774
Total current liabilities	415,546	396,180
Non-current liabilities		
Bonds payable	80,113	80,097
Long-term borrowings	83,818	110,674
Lease liabilities	130,558	121,773
Asset retirement obligations	4,991	5,236
Retirement benefit liability	37,974	36,488
Provision for retirement benefits for directors (and other officers)	276	287
Other	42,385	40,178
Total non-current liabilities	380,117	394,735
Total liabilities	795,663	790,916
Net assets		
Shareholders' equity		
Share capital	66,025	66,025
Capital surplus	37,522	37,522
Retained earnings	335,679	354,199
Treasury shares	(12,530)	(17,397)
Total shareholders' equity	426,695	440,349
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,713	9,874
Deferred gains or losses on hedges	5	1
Revaluation reserve for land	3,972	2,463
Foreign currency translation adjustment	30,285	26,712
Remeasurements of defined benefit plans	3,376	2,999
Total accumulated other comprehensive income	46,352	42,051
Non-controlling interests	27,299	25,967
Total net assets	500,348	508,368
Total liabilities and net assets	1,296,012	1,299,285

(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income
(Interim Consolidated Statements of Income)

(Millions of yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Operating revenue	243,431	235,362
Net sales	200,627	191,987
Cost of sales	96,511	91,874
Gross profit	104,115	100,112
Other operating revenue	42,803	43,375
Operating gross profit	146,919	143,487
Selling, general and administrative expenses		
Advertising expenses	5,281	5,258
Provision for point card certificates	1,043	990
Provision of allowance for doubtful accounts	298	525
Remuneration, salaries and allowances for directors (and other officers)	31,348	32,200
Retirement benefit expenses	415	189
Rent expenses on real estate	11,552	11,688
Other	68,219	68,980
Total selling, general and administrative expenses	118,158	119,834
Operating profit	28,760	23,653
Non-operating income		
Interest income	941	910
Dividend income	437	434
Gain on adjustment of unused certificates	812	1,103
Share of profit of entities accounted for using equity method	2,330	1,066
Foreign exchange gains	883	—
Gain on receipt of donated non-current assets	187	392
Other	270	204
Total non-operating income	5,862	4,111
Non-operating expenses		
Interest expenses	3,977	3,835
Foreign exchange losses	—	1,079
Other	407	839
Total non-operating expenses	4,384	5,754
Ordinary profit	30,238	22,010
Extraordinary income		
Gain on sale of investment securities	332	—
Gain on forgiveness of lease liabilities	28	—
Gain on sale of non-current assets	76	12,606
Other	5	90
Total extraordinary income	442	12,697
Extraordinary losses		
Loss on retirement of non-current assets	904	2,097
Loss on store closings	352	265
Impairment losses	893	368
Other	8	6
Total extraordinary losses	2,159	2,738
Profit before income taxes	28,521	31,968
Income taxes - current	3,996	4,710
Income taxes - deferred	5,242	5,580
Total income taxes	9,239	10,290
Profit	19,282	21,677
Profit attributable to non-controlling interests	203	458
Profit attributable to owners of parent	19,078	21,219

(Interim Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Profit	19,282	21,677
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,434)	1,152
Deferred gains or losses on hedges	(15)	(4)
Revaluation reserve for land	—	(264)
Foreign currency translation adjustment	4,411	(3,575)
Remeasurements of defined benefit plans, net of tax	(180)	(364)
Share of other comprehensive income of entities accounted for using equity method	3,236	(1,228)
Total other comprehensive income	6,017	(4,284)
Comprehensive income	25,300	17,393
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,843	18,162
Comprehensive income attributable to non-controlling interests	1,457	(769)

(3) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended August 31, 2024	Six months ended August 31, 2025
Cash flows from operating activities		
Profit before income taxes	28,521	31,968
Depreciation	16,452	16,338
Impairment losses	893	368
Amortization of goodwill	171	179
Increase (decrease) in allowance for doubtful accounts	218	328
Increase (decrease) in retirement benefit asset and liability, net	(2,555)	(2,387)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(20)	10
Increase (decrease) in provision for point card certificates	(51)	(100)
Interest and dividend income	(1,378)	(1,345)
Interest expenses	3,977	3,835
Share of loss (profit) of entities accounted for using equity method	(2,330)	(1,066)
Loss (gain) on sale of non-current assets	(76)	(12,606)
Loss on retirement of non-current assets	904	2,097
Loss (gain) on sale of investment securities	(332)	—
Decrease (increase) in trade receivables	(10,997)	(24,821)
Decrease (increase) in inventories	150	45
Increase (decrease) in trade payables	(1,795)	2,235
Increase (decrease) in deposits received	(1,894)	(409)
Increase (decrease) in accounts payable - other	1,315	1,270
Increase (decrease) in contract liabilities	614	2,583
Other, net	2,279	1,754
Subtotal	34,066	20,279
Interest and dividends received	3,318	3,306
Interest paid	(3,906)	(3,744)
Income taxes refund (paid)	(1,270)	(5,281)
Net cash provided by (used in) operating activities	32,208	14,560
Cash flows from investing activities		
Payments into time deposits	(3,453)	(2,124)
Proceeds from withdrawal of time deposits	1,528	390
Purchase of short-term and long-term investment securities	(1,737)	(1,306)
Proceeds from sale and redemption of short-term and long-term investment securities	358	—
Proceeds from liquidation of subsidiaries	—	360
Purchase of property, plant and equipment and intangible assets	(14,435)	(24,625)
Proceeds from sale of property, plant and equipment and intangible assets	86	17,546
Payments for asset retirement obligations	(104)	(87)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(326)	—
Purchase of shares of subsidiaries and associates	(49)	(1,013)
Net decrease (increase) in short-term loans receivable	(251)	(2,479)
Long-term loan advances	(78)	(86)
Other, net	511	(62)
Net cash provided by (used in) investing activities	(17,953)	(13,487)
Cash flows from financing activities		
Proceeds from long-term borrowings	13,000	30,000
Repayments of long-term borrowings	(17,580)	(24,500)
Repayments of lease liabilities	(4,397)	(4,490)
Purchase of treasury shares	(1)	(4,866)
Decrease (increase) in cash segregated as deposits for purchase of treasury shares	—	(5,132)
Dividends paid	(3,154)	(3,943)
Other, net	(554)	(562)
Net cash provided by (used in) financing activities	(12,687)	(13,496)
Effect of exchange rate change on cash and cash equivalents	4,734	(1,928)
Net increase (decrease) in cash and cash equivalents	6,302	(14,352)
Cash and cash equivalents at beginning of period	92,898	88,559
Cash and cash equivalents at end of period	99,201	74,207

(4) Notes to Interim Consolidated Financial Statements

[Notes on Premise of Going Concern]

Not applicable.

[Notes on Changes in Accounting Policies]

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company and its subsidiaries have been applying the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”) from the beginning of the current fiscal year.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). The change in the accounting policies has no impact on the interim consolidated financial statements.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains and losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the current fiscal year. The Company applied the change in accounting policies retrospectively to the consolidated financial statements for the interim of the previous fiscal year and the entire previous fiscal year. The change in the accounting policies had no impact on those prior consolidated financial statements.

[Changes in Presentation]

(Interim Consolidated Statements of Income)

“Gain on receipt of donated non-current assets,” which had been included in “Other” of “Non-operating income” in the previous interim consolidated period (187 million yen for the six months ended August 31, 2024), is presented separately from the fiscal year under review, given its increased financial materiality.

(Interim Consolidated Statements of Cash Flows)

“Payments for asset retirement obligations,” which had been included in “Other” of “Cash flows from investing activities” in the previous interim consolidated period (-104 million yen for the six months ended August 31, 2024), is presented separately from the fiscal year under review, given its increased financial materiality.

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

Pursuant to a resolution made at the Board of Directors meeting held on June 30, 2025, the Company has been proceeding with the purchase of its treasury shares through market purchases on the Tokyo Stock Exchange during the period from July 1, 2025 to December 30, 2025, with 15,000,000 shares set as the maximum number of shares to be purchased and 15,000 million yen as the maximum purchase amount.

During the six months ended August 31, 2025, the Company purchased 4,042,000 treasury shares for the purchase amount of 4,866 million yen, and the balance of treasury shares as of August 31, 2025 was 17,397 million yen.

[Changes in Significant Subsidiaries During the Interim Consolidated Period]

(i) Significant changes in the scope of consolidation

During the six months ended August 31, 2025, TAKASHIMAYA INTERIOR LIMITED (Construction & Design segment), which was established by the Company’s consolidated subsidiary Takashimaya Space Create Co., Ltd., was included in the scope of consolidation.

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

Not applicable.

[Segment Information]

(i) Six months ended August 31, 2024 (from March 1, 2024 to August 31, 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	155,873	16,634	20,368	7,828	8,982	15,425	225,113	18,318	243,431	—	243,431
Intersegment	8,712	481	5,119	257	2,055	1,748	18,374	7,698	26,073	(26,073)	—
Total	164,585	17,115	25,487	8,085	11,037	17,174	243,487	26,016	269,504	(26,073)	243,431
Segment profit	14,416	3,917	3,923	3,136	2,291	1,177	28,863	783	29,646	(885)	28,760

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 (885) million yen consist of (324) million yen in eliminations of intersegment transactions and (561) 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). 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 59 million yen in the "Others" segment.

(Significant change in the amount of goodwill)

In the interim 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.

(ii) Six months ended August 31, 2025 (from March 1, 2025 to August 31, 2025)

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	146,401	16,093	20,616	7,544	10,056	15,592	216,304	19,058	235,362	—	235,362
Intersegment	9,381	432	5,123	286	2,121	2,307	19,652	7,847	27,499	(27,499)	—
Total	155,782	16,525	25,739	7,831	12,177	17,900	235,956	26,905	262,862	(27,499)	235,362
Segment profit	9,571	3,790	3,419	2,683	2,688	1,530	23,684	804	24,488	(835)	23,653

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 (835) million yen consist of (303) million yen in eliminations of intersegment transactions and (531) 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). 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 173 million yen was recorded in the “Department Stores in Japan” segment, 133 million yen in the “Commercial Property Development in Japan” segment, and 62 million yen in the “Others” segment.

[Significant Subsequent Events]

(Termination of Operations of a Store)

The Company passed a resolution at a Board of Directors' meeting held on October 14, 2025, to terminate operations of the Takashimaya Rakusai Store.

1. Background Leading to the Termination of Operations

Rakusai Store has continued to operate for over 40 years since its opening in April 1982. Over that time, the Company has worked to strengthen Rakusai Store's sales capabilities through renovations and collaboration with Takashimaya Kyoto Store and to improve operational efficiency through organizational restructuring. Unfortunately, the store operated at a loss in FY2024 and the Company does not expect it to turn a profit in FY2025 onward either. Furthermore, with more than 40 years having passed since its opening, significant capital investment would be required to continue providing a comfortable shopping environment to customers. Having considered the current local environment surrounding the store, the uncertain consumer environment, and other factors from a medium- to long-term perspective, the Company sees no prospect of recovering such a significant capital investment. Therefore, the Company has resolved to close Rakusai Store on August 3, 2026. In addition, the Company has decided to sell the building and land, its assets, to a business operator that develops condominiums for seniors mainly in the Kinki area. That business operator plans to use the location in the future as a candidate site for condominiums and commercial facilities.

The Company plans to open a satellite shop in a section of the neighboring commercial facility from September 2026 and will continue to collaborate with the Takashimaya Kyoto Store located within the same city.

2. Overview of the Takashimaya Rakusai Store

(1) Location	2-5-5 Oharano Higashi Sakaiyacho, Nishikyo Ward, Kyoto City, Kyoto
(2) Store manager	Kenichi Handa
(3) Date opened	April 16, 1982
(4) Sales	4,757 million yen *Fiscal year ended February 28, 2025
(5) Sales floor area	8,079 m^2 *As of February 28, 2025
(6) Number of employees	75 *As of February 28, 2025

3. Scheduled Date of the Termination of Operations

Monday, August 3, 2026

4. Future Outlook

The impact on consolidated financial results for the fiscal year ending February 28, 2026 and the fiscal year ending February 28, 2027 will be minor. If any matters requiring notification arise, the Company will promptly disclose them.