Translation

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Summary of Consolidated Financial Results for the Year Ended February 28, 2025 (Based on Japanese GAAP)

April 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 ordinary general meeting of shareholders:	May 20, 2025
Scheduled date to file Securities Report:	May 22, 2025
Scheduled date to commence dividend payments:	May 21, 2025
Preparation of supplementary material on financial results:	Yes
Holding of financial results meeting:	Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(1) Consolidated operating results

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	%
Year ended February 28, 2025	1,032,701	8.5	498,491	6.9	57,503	25.2	63,353	25.8	60,396	22.8	39,525	25.0
Year ended February 29, 2024	952,168	8.0	466,134	5.1	45,937	41.3	50,355	38.5	49,199	42.5	31,620	13.6

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 28, 2025	126.33	107.25	8.5	4.7	13.9
Year ended February 29, 2024	100.24	85.27	7.3	4.0	11.9

Reference: Share of profit of entities accounted for using equity method For the Year ended February 28, 2025 3,686 million yen
For the Year ended February 29, 2024 3,223 million yen

Note 1: Comprehensive income For the Year ended February 28, 2025 43,298 million yen [(9.1)%]
For the Year ended February 29, 2024 47,638 million yen [24.8%]

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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2025	1,296,012	500,348	36.5	1,559.30
As of February 29, 2024	1,270,475	478,802	35.7	1,439.41

Reference: Equity As of February 28, 2025 473,048 million yen
As of February 29, 2024 454,079 million yen

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

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 28, 2025	72,493	(39,694)	(41,772)	88,559
Year ended February 29, 2024	59,536	(38,501)	(20,600)	92,898

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 29, 2024	–	17.00	–	20.00	37.00	5,836	18.5	1.3
Year ended February 28, 2025	–	23.00	–	13.00	–	7,571	19.2	1.6
Year ending February 28, 2026 (Forecast)	–	13.00	–	13.00	26.00		–	

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 fiscal year ended February 29, 2024 and 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. Without considering the stock split, the year-end dividend per share and the annual dividends per share for the fiscal year ended February 28, 2025 would be 26 yen, and 49 yen, respectively.

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
Six months ending August 31, 2025	513,000	1.2	248,600	2.1	27,400	(4.7)	30,000	(4.8)	28,800	(4.8)	18,000	(5.7)	59.33
Full year	1,070,000	3.6	521,200	4.6	58,000	0.9	65,000	2.6	61,000	1.0	40,000	1.2	131.85

Note 1: Total operating revenue was calculated using the previous standard before the application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations.

Note 2: 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.

4. Notes

(1) Changes in significant subsidiaries during the year ended February 28, 2025 (Changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of February 28, 2025	315,566,316 shares	As of February 29, 2024	355,518,962 shares

Number of treasury shares at the end of the period

As of February 28, 2025	12,194,482 shares	As of February 29, 2024	40,057,156 shares

Average number of shares during the period

Year ended February 28, 2025	312,866,668 shares	Year ended February 29, 2024	315,462,950 shares

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.

Reference: Overview of non-consolidated financial results

Non-consolidated financial results for the year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Total operating revenue		Operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 28, 2025	835,188	10.3	339.115	8.3	27,419	40.0	42,514	32.2	31,648	26.4
Year ended February 29, 2024	757,379	7.2	313,047	1.3	19,580	90.3	32,152	102.1	25,031	46.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended February 28, 2025	101.15	85.86
Year ended February 29, 2024	79.34	67.49

Note 1: Total operating revenue was calculated using the previous standard before the application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations.

Note 2: 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) Non-consolidated financial position

	Total assets	Net assets	Equity Ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2025	843,286	260,482	30.9	858.62
As of February 29, 2024	842,001	252,779	30.0	801.29

Reference: Equity As of February 28, 2025 260,482 million yen
As of February 29, 2024 252,779 million yen

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

<Reason for differences from actual non-consolidated financial results for the previous fiscal year>

Differences have arisen between the actual result of profit at each level of income in the previous fiscal year and that in the current fiscal year due to increases in sales from both domestic customers and inbound travelers as well as reduction in SG&A expenses.

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

* 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, Overview of Operating Results and Others, (4) Future Outlook on page 6 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. Overview of Operating Results and Others

(1) Overview of Operating Results for the Fiscal Year

In terms of Japanese socio-economics during the fiscal year under review, the Bank of Japan lifted its negative interest rate policy to stabilize prices in March 2024. It then raised interest rates for the first time in 17 years. The economy is moving away from long-lasting deflation to a virtuous cycle of rising prices and higher personnel expenses. For example, the rate of the increase in wages has been the highest since the bubble economy and real wages turned positive for the first time in 27 months in June. A gradual recovery in personal consumption was also observed. Furthermore, economic activities continued to be vigorous. For instance, the number of foreign visitors to Japan and spending reached record highs against the backdrop of a weak yen.

We (the Takashimaya Group) established a vision for the milestone of our 200th anniversary in 2031 to be "a familiar platform that helps achieve fulfilling lifestyles for all our stakeholders, including our customers, employees, shareholders, and local communities." We announced this vision as our Grand Design in April 2024. We also newly issued an Integrated Report. This report communicates our value creation story, growth strategy, business portfolio and more. Furthermore, we have established a mechanism to use the ROIC Tree at the field level based on the characteristics of each store and group company to promote ROIC management with an awareness of capital costs. This has enhanced the effectiveness of management.

This fiscal year was the first year of our Grand Design and our new Medium-Term Management Plan (FY2024 to FY2026). We positioned this year as an important one to lay the foundations to take measures for sustainable growth. We made steady progress on the management issues of promoting ESG management; securing, developing, and promoting the success of our human resources; and advancing our Machi-dukuri Strategy.

Promoting ESG management

ESG management is the foundation to providing added value to society. Contributing to solving social issues through business activities is the responsibility of companies as members of society. We positioned TSUNAGU ACTION as a symbolic initiative for ESG management. We promoted measures to solve social issues and achieve business growth at the company-wide level. We held "TSUNAGU: Wajima Lacquerware for the Future" at our Nihombashi Store to preserve traditional crafts and to support the reconstruction of Noto. We installed new Depart de Loop Port clothing collection boxes at Tamagawa Takashimaya Shopping Center as part of our Depart de Loop project aiming to realize a recycling-oriented society. These boxes allow customers to choose where their clothes will be recycled. In addition, we have also renovated our garbage sorting facility to allow visualization of waste. We now collect unwanted clothing products and cosmetics throughout the year instead of for limited time periods. This meant we expanded the amount we collected in the year to a level more than double that of the previous year at approximately 22 tons.

We recognize that we have a great responsibility to conserve the global environment as we own large commercial facilities among other reasons. We are promoting initiatives to realize decarbonization on a company-wide basis. These initiatives include entering into agreements to directly procure renewable energy-derived electric power from businesses at our Osaka Store and Kyoto Store.

We are promoting activities as an ally from the perspective of diversity, equity and inclusion (DE&I). Our aim is to understand and support sexual minorities. In addition, we have created an environment where our employees can work with peace of mind. For example, we have expanded the scope of the application of our welfare system to also include same-sex partners and common-law marriages. As a result, Takashimaya Company, Limited was awarded the highest rank of Gold in PRIDE Index 2024 to evaluate initiatives by the work with PRIDE private organization in November.

Securing, developing, and promoting the success of our human resources

The labor shortage has become a serious social issue. Against this backdrop, we have proactively invested in human resources based on the concept of human capital management. We have a variety of group companies. To increase their competitiveness, we are strengthening our expertise in finance, construction and design, and other fields. We are developing specialists.

We decided to close for business on January 2 in addition to New Year's day in principle. Our aim is to create an environment where our business partners and other employees can work for a long time with pride and fulfillment and to secure outstanding human resources. We also formulated and published our Basic Policy on Customer Harassment ahead of others in the industry. Together with this, we reduced the burden of responding to customer harassment in the field.

Advancing Machi-dukuri Strategy

We have positioned our group-wide Machi-dukuri strategy at the core of our business strategy. We are promoting a switch to next-generation shopping centers in Japan. The introduction of innovative content at Kyoto Takashimaya Shopping Center motivated a diverse range of customers, including young people, to visit. This increased the number of customers going around shopping between department stores and specialty stores. The introduction of a community zone and construction of one of the largest food zones in the area are contributing to the revitalization of the local community at Kashiwa Takashimaya Station Mall.

We are also promoting digital transformation (DX) as part of our efforts to realize Machi-dukuri. Against this background, we launched a DX promotion project across the whole of our company with the President at the top to achieve workflow reform. We used digital technology to improve operational efficiency and established a structure which allows us to focus on our core businesses, such as in-store sales, this year.

<Consolidated Financial Results>

Our consolidated financial results for the fiscal year under review were consolidated operating revenue of 498,491 million yen (increase of 6.9% YoY), consolidated operating profit of 57,503 million yen (increase of 25.2% YoY), consolidated ordinary profit of 60,396 million yen (increase of 22.8% YoY) and profit attributable to owners of parent of 39,525 million yen (increase of 25.0% YoY). These results were all record highs.

Return on earnings (ROE) was 8.5%, return on invested capital (ROIC) was 6.4%, EBITDA (an indicator to assess a company's pure cash generating capacity) to total assets ratio was 6.2% and net interest-bearing debt to EBITDA was 1.4-times.

<Non-consolidated Financial Results>

Our non-consolidated financial results for the fiscal year under review were net sales of 312,280 million yen (increase of 8.7% YoY), operating profit of 27,419 million yen (increase of 40.0% YoY), ordinary profit of 42,514 million yen (increase of 32.2% YoY) and net profit of 31,648 million yen (increase of 26.4% YoY). The results in all profit categories (operating profit, ordinary profit and profit attributable to owners of parent) were record highs.

Segment-specific earnings for each business were as follows.

We have changed the reporting segment classifications from the first quarter of the consolidated fiscal year as we are further promoting ROIC management to optimize our business portfolio and clarify our investment efficiency, profitability and other elements by business. Details are provided in "3. Consolidated Financial Statements and Major Notes (5) Notes to Consolidated Financial Statements [Segment Information]." In addition, we have given figures reclassified to reflect the new segment classifications for the year-on-year comparisons below.

<Department Stores in Japan>

Operating revenue from the Department Stores in Japan segment was 318,210 million yen (increase of 8.1% YoY) and operating profit was 28,530 million yen (increase of 35.5% YoY).

Sales were firm thanks to an increase in 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, in addition to luxury brands and other high-ticket items, sales of fashion-related products such as women's clothing, men's clothing, and cosmetics also increased year on year.

In the fiscal year under review, we incorporated new brands based on changes in consumer trends and rebuilding sales floors to offer open sales spaces and self-curated sales spaces unique to the department store experience. We opened a new ITEM SELECT open sales space for men's clothing in our Nihombashi Store in September. We renovated the CS CASE Study select shop for men's clothing in our Yokohama Store in October. We also renovated and reopened Aji Hyakusen in our Shinjuku Store in December. We received positive feedback about our merchandise from customers. In addition, this has led to an expansion in our customer base.

We held topical events as well. An exhibition by the miniature photographer and metaphor artist Tatsuya Tanaka was well-received by many customers. These events helped greatly in attracting customers to our stores. 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.

In terms of electronic commerce, we celebrated the launch of TBEAUT, a dedicated online store for cosmetics, one of our major product categories, in August. We have simplified the purchasing flow for cosmetics with a high personal consumption ratio. In addition, we have introduced a function to provide customers with contents according to their interests, hobbies and preferences. These and similar efforts have led to an improvement in convenience for customers and the creation of a fun purchasing experience.

The gross margin ratio was lower than the previous year. That was in part due to a change in the sales proportion because of the favorable performance of high-ticket items with low profit margins. On the other hand, as a result of an increase in net sales, the gross margin exceeded the previous year by absorbing the impact of the worsening gross margin ratio.

We also minimized 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 continued to promote cost reduction efforts, including pursuing further optimization of our store operating structure. Thanks to these efforts, the SG&A expenses to total operating revenue ratio decreased compared to the previous year.

We closed our Gifu Store after 47 years at the end of July 2024. We would like to express our gratitude to the many customers who visited up to its final day of business.

<Overseas Department Stores>

Operating revenue from the Overseas Department Stores segment was 34,287 million yen (increase of 5.3% YoY) and operating profit was 8,363 million yen (increase of 4.4% YoY).

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

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

Ho Chi Minh City Takashimaya recorded increased revenue and profit thanks to a renovation to sales spaces and efforts to strengthen merchandising focused on children's merchandise, a growth field, and cosmetics and foods, both highly popular product categories among customers.

Siam Takashimaya (Thailand) took measures to expand revenue. Those measures included strengthening merchandise by incorporating Japanese brands to match customer preferences and holding regional product exhibits. The large impacts of declining domestic demand and the sales space remodeling work led to a slight decrease in revenue. However, we curtailed the deficit by improving gross margin ratio and making cost reductions.

<Commercial Property Development in Japan>

Operating revenue from the Commercial Property Development in Japan segment was 40,833 million yen (increase of 6.2% YoY) and operating profit was 6,851 million yen (decrease of 12.8% YoY).

Toshin Development Co., Ltd.'s revenue increased because it 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. On the other hand, the company's profit decreased due to the impact of renovation construction for the Tamagawa Takashimaya Shopping Center in 2024 and the significant reaction to transferring the expanded specialty store section of Kyoto Takashimaya Shopping Center to Takashimaya Company, Limited Kashiwa Takashimaya Station Mall is gradually undergoing a renovations, 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 (SC) environments that serve essential roles in their respective communities.

<Overseas Commercial Property Development>

Operating revenue from the Overseas Commercial Property Development segment was 15,434 million yen (increase of 14.2% YoY) and operating profit was 5,908 million yen (increase of 43.2% 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 high-quality school as part of our rental/leasing for school business in Hanoi, Vietnam*. 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 housing development projects in new blocks in December. We will control the size of our assets by combining short-term return residential investments with conventional long-term asset holding investments.

*Operated by a local operating company that we have jointly invested in with our business partner Edufit International Education Corporation Joint Stock Company

<Finance>

Operating revenue from the Finance segment was 18,851 million yen (increase of 8.1% YoY) and operating profit was 4,831 million yen (increase of 4.8% 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.

The number of new members increased to a level exceeding that of FY2019 before the COVID-19 pandemic in the Card business by strengthening the acquisition of members at department stores, specialty stores and our electronic commerce site. In addition, we are seeing a steady increase in members and transaction volume for our Takashimaya Card (Business Platinum) American Express® in its second year since issue. Use of our newly launched business solution service is also increasing. We will continue to expand B-to-B business in the future by further enhancing its attractiveness.

We are seeing a steady increase in the use of our Life Partner business. That is because we are promoting proposals in line with the intentions of our customers by expanding the products and services we handle at our financial counters. In addition, we have been working to promote asset formation among our customers by raising the monthly contribution limit for Takashimaya's Card Tsumitate in line with Japan's new NISA scheme (a tax-free small-scale stock investment program) and holding various seminars.

Furthermore, Vaste Culture & Cie., in which Takashimaya Company, Limited acquired a majority stake in June and made a subsidiary, provides financial services such as wealth management in which it comprehensively manages assets and other services.

<Construction & Design>

Operating revenue from the Construction & Design segment was 29,997 million yen (increase of 7.3% YoY) and operating profit was 2,171 million yen (compared to an operating loss of 731 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 mainly for luxury brands and hotels. We will continue to advance human capital management, including the development and reinforcement of specialist human resources, and to steadily implement advanced projects by combining our sales and design capabilities. Through such efforts, we will establish a high-profit structure with a competitive edge to lead to sustainable growth.

<Others>

Operating revenue from other businesses was 40,877 million yen (decrease of 2.6% YoY) and operating profit was 1,977 million yen (decrease of 5.2% YoY).

The "Others" as a whole recorded decreased revenue and profit due to a decline in revenue and a deficit at our wholesaler Takashimaya Transcosmos International Commerce PTE, LTD., despite increased revenue and profit at our staffing business CENTURY & Co., Ltd.

Regarding the year-end dividend for the fiscal year under review, the basic stance of the Takashimaya Group is to maintain stable dividend levels while comprehensively evaluating earnings and our operating environment. As a result, the group has decided to set the dividend at 13 yen per share.

We implemented a 2-for-1 stock split (two shares for each share of common stock) on September 1, 2024. The interim dividend (23 yen per share) we issued on the record date of August 31, 2024 is equivalent to 11.50 yen per share after the stock split. Accordingly, the amount equivalent to the annual dividends per share for the fiscal year under review combined with the year-end dividend is 24.50 yen per share. The annual dividends per share of 24.50 yen is equivalent to 49 yen per share before the stock split. This will an increase of 12 yen from the annual dividend of 37 yen in the previous year.

Moreover, we acquired 15 billion yen in treasury shares and then cancelled all of them to increase shareholder returns and improve capital efficiency.

(2) Explanation of Financial Position

Total assets as of February 28, 2025 amounted to 1,296,012 million yen, up 25,536 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 18,471 million yen in investment securities relating to additional purchases of shares of affiliates, etc., and an increase of 7,417 million yen in notes and accounts receivable – trade, and contract assets relating to increased sales.

Liabilities amounted to 795,663 million yen, up 3,990 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 7,897 million yen in accounts-payable – other and long-term accounts-payable – other relating to purchases of shares, etc. and an increase of 3,010 million yen in lease liabilities relating to impact of foreign currency exchange due to the weak yen at overseas subsidiaries, despite a decrease of 7,347 million yen in interest-bearing debt.

Net assets amounted to 500,348 million yen, up 21,546 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 14,811 million yen in retained earnings as a result of an increase of 39,525 million yen in profit attributable to owners of parent, a decrease of 17,904 million yen relating to cancellation of treasury shares, and a decrease of 6,782 million yen relating to dividends paid, among others, and an increase of 5,234 million in foreign currency translation adjustment relating to the weak yen.

(3) Overview of Cash Flows for the Fiscal Year

Net cash provided by operating activities was 72,493 million yen, an increase in inflow of 12,956 million yen from the 59,536 million yen provided in the same period of the previous consolidated fiscal year. This was mainly due to an increase of 16,700 million yen in profit before income taxes.

Net cash used in investing activities was 39,694 million yen, an increase in outflow of 1,192 million yen from the 38,501 million yen used in the same period of the previous consolidated fiscal year. This was mainly due to a net increase of 5,012 million yen in short-term loans receivable despite an increase of 4,672 million yen in proceeds from sale and redemption of short-term and long-term investment securities.

Net cash used in financing activities was 41,772 million yen, an increase in outflow of 21,171 million yen from the 20,600 million yen used in the same period of the previous consolidated fiscal year. This was mainly due to an increase of 14,999 million yen in the purchase of treasury shares.

As a result of the above along with the effect of exchange rates and change in the scope of consolidation, cash and cash equivalents as of February 28, 2025 amounted to 88,559 million yen, down 4,338 million yen from the end of the previous consolidated fiscal year.

(Reference) Cash Flow-Related Indicators

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Equity ratio (%)	34.3	34.8	35.1	35.7	36.5
Equity ratio based on market value (%)	15.7	16.4	25.4	28.0	28.8
Interest-bearing debt to cash flow ratio (years)	4.7	10.2	5.9	3.5	2.8
Interest coverage ratio (times)	9.3	4.5	7.0	10.4	9.3

Equity ratio : equity / total assets
Equity ratio based on market value : market capitalization / total assets
Interest-bearing debt to cash flow ratio : interest-bearing debt / operating cash flow
Interest coverage ratio : operating cash flow / interest paid

*All of the above indicators are calculated based on consolidated financial statement data.
*Market capitalization is calculated by multiplying the closing stock price on the last day of the fiscal year by the number of outstanding shares (net of treasury stock) at the end of the fiscal year.
*Operating cash flow uses the cash flow from operating activities from the consolidated statements of cash flows. Interest-bearing debt includes short-term borrowings, current portion of bonds payable, bonds payable, long-term borrowings and commercial papers posted on the consolidated balance sheets. Interest payment uses interest paid on the consolidated statement of cash flows.

(4) Future Outlook

With the post-COVID-19 upswing in consumption coming to an end, we will need to continue closely watching the operating environment in the next fiscal year: How will global geopolitical risks affect Japanese financial markets and the economy?

To realize our Grand Design in 2031, our management target for the next 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. The sum total of the products and services we handle in our group’s commercial facility, e-commerce and finance operations inside and outside Japan is our unique competitive advantage. 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. To that end, we will gradually consider how to realize seamlessness. Those efforts will include standardizing the services provided at each of our sites and facilities in Japan and overseas, sharing point programs at those locations, and making optimal proposals to suit the needs of our customers from all the products, services and information we handle within our group.

We have set the following as our management issues for the next fiscal year toward this management target: establish next-generation shopping centers created by the collective strengths of our group; strengthen sales capabilities as a source of value creation; build the organizations and foundations to support individual growth; implement ESG management focused on sales activities; and demonstrate a greater presence in growth domains.

Establish next-generation shopping centers created by the collective strengths of our group and strengthen sales capabilities as a source of value creation

The shift to next-generation shopping centers is an important initiative in our Machi-dukuri strategy to realize the Grand Design. We will bring together the know-how of each group business based on the concept of independence and mutual co-creation between individuals and organizations. Each group business will then mutually use their respective management resources to maximize the appeal of each commercial facility. Next-generation shopping centers have three characteristics. The first characteristic is that they create incentives for customers to visit by introducing new contents. We will provide extra-special experience value beyond simple shopping and dining so that shopping centers continue to be supported by customers as a real presence. Through this, we will encourage customers from a wide area and of all ages to visit to create a lively atmosphere.

The second characteristic is that they provide functions as social infrastructure for the community. It is essential we contribute to the stakeholder of the local communities as we have set Machi-dukuri as our group-wide strategy. Shopping centers possess the qualities of being known to everyone, having a convenient location and offering a large facility. We will use these qualities to continue to fulfill our role as a terminal for forming local communities and promoting a recycling-oriented society, to communicate messages as symbolic facilities for the introduction of renewable energy and urban greening, and also to expand the functions as a disaster prevention base and to provide evacuation shelters and lifelines.

The third characteristic is that we should make greater use of the presence of department stores. We will cooperate in even more depth such as by using customer information held by department stores and optimizing the floor layout in addition to using the respective strengths of department stores and specialty stores. In this way, we will improve the appeal of facilities overall.

Department stores will also be at the core of next-generation shopping centers. We will enhance our ability to meet the fundamental and universal needs of our customers such as expectations for even more fulfilling lives and new products and services through product policies, customer policies, and sales and services policies. We will do this to improve the appeal of department stores themselves and to thus raise the Takashimaya’s brand value.

We will also employ management techniques. We will establish a cycle to calculate and verify ROIC for shopping centers overall without separating department stores and specialty stores based on the Balance Sheet by Store we will introduce in the next fiscal year. We will then promote management with an awareness of site profits to entrench ROIC management.

Build the organizations and foundations to support individual growth

As we express in our management philosophy of “Putting People First,” we are a corporate group made up of people. We will work on human capital management, that is, we will support the participation and actively promote diverse human resources as well developing human resources across our group. Our aim in doing this is to encourage a virtuous cycle of engagement and productivity improvement to lead to sustainable growth. We will practice management which maximizes the abilities of each employee based on the concept of DE&I for the organizational culture that serves as our foundation. Furthermore, we will aim to enhance the effectiveness of the policy we formulated in the Basic Policy on Customer Harassment we announced last year. To that end, we will continue to develop an environment where employees of business partners and others can demonstrate their abilities with peace of mind. This will include periodic monitoring and other efforts.

Implement ESG management focused on sales activities

It is necessary for the sustainable growth of our group to create a mechanism in which we share benefits with all stakeholders, including the global environment, and enhance mutual engagement. We will foster a culture in which each employee understands our approach to ESG management and is able to act independently. At the same time, we will communicate messages distinctive of our company that is in contact with many customers. In this way, we will maximize their effectiveness.

We will accelerate our efforts by using the business characteristics and management resources of each organization in our group in our symbolic TSUNAGU ACTION initiative. We will reinforce our perspective on profitability that is essential for sustainable growth. Our aim will be to sustainably increase profits while solving social issues at the same time.

Demonstrate a greater presence in growth domains

We position overseas business and finance as growth domains. Against this background, in the overseas business we will use the know-how and partnerships we have cultivated in the Takashimaya Singapore Shopping Center to gradually advance development in the growth market that is Vietnam. Moreover, in addition to the Card business, we will take on challenges in new areas to expand our business base in the finance business as well. We expect our group profit level (consolidated operating profit + dividend income from Toshin Development Co., Ltd.'s Vietnamese affiliate) to increase from 75 billion yen to 80 billion yen by 2031 when we will celebrate our 200th anniversary by increasing profits in those growth domains. Furthermore, we will increase the share of profits from our overseas segment from 28% in FY2023 to 33% and the share of profits from non-department store segment from 38% in FY2023 to approximately half at 47%. We will simultaneously realize a well-balanced business portfolio which allows us to respond flexibly to changes in the operating environment.

Segment-specific initiatives for each business were as follows.

<Department Stores in Japan>

We will increase our buying power to realize attractive merchandise focused on our five large stores in the east and west, which is one of our strengths, for our product policy to strengthen our sales capabilities. We will continue to work with key business partners in the future to improve the ongoing issue of our gross margin ratio. These improvements will include reinforcing retail priced items. Furthermore, we will enhance our item spaces and self-curated sales spaces and develop new products and services. Through these efforts, we will provide one-stop experience value that takes advantage of the strengths of our physical stores.

We will continue to expand our brands in line with customer needs, distinguish our website and app, and promote initiatives to enhance convenience in our e-commerce business. We will expand points of contact with customers through mutual referrals between stores and electronic commerce channels by taking advantage of the strengths of our physical stores. This will lead to the acquisition of new customers and an improvement in profitability.

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 improve existing customer satisfaction and to acquire the next generation of customers in terms of our customer policy. Moreover, we will also enhance the appeal of the Takashimaya app as an important customer contact tool. In addition to 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.

We will establish a structure for our Sakai Store that will close on January 7, 2026 so that its customers can continue to shop mainly at our Osaka Store and Semboku Store.

<Overseas Department Stores>

Amid an uncertain operating environment, we will maintain and increase the number of domestic customers and tourists we have at Takashimaya Singapore. We will achieve this by promoting customer policies in addition to reinforcing our merchandise of fashion-related products, foods and more.

We will continue to stabilize our revenue base at Shanghai Takashimaya against the backdrop of a prolonged slowdown in consumption due to the economic downturn. Examples of the efforts we will take to do that include introducing tenants based on customer needs.

The first urban railway in Ho Chi Minh City opened in December 2024. In response to this, we will expand sales at Ho Chi Minh City Takashimaya by enhancing the store's ability to attract customers through a reorganization of product categories and brands and an enhancement of the events we hold there.

Following on from the renovation of the cosmetics sales area, we plan to renovate and reopen each floor of Siam Takashimaya (Thailand) in the future. We will continue to promote efforts to maximize the effects of these renovations.

<Commercial Property Development in Japan>

We opened three new facilities, including Kashiwa Ekimae Administrative Service Center, in Kashiwa, Chiba Prefecture in February 2025 at the Kashiwa Takashimaya Station Mall that Toshin Development Co., Ltd. has been gradually renovating. This marked the completion of the renovations that we have been working on since September 2023. We will continue to aim to ensure it is an even more convenient and user-friendly facility in the future. In addition, we will renovate the Nishikan Street at Tamagawa Takashimaya Shopping Center this spring. We will open the P. food court with four attention-grabbing restaurants. This will provide a new shopping environment that connects sidewalks, spaces and communities.

<Overseas Commercial Property Development>

In Vietnam, which we position as a growth driver, Toshin Development Co., Ltd. will concentrate investments on mixed-use development projects combining residential housing, offices and commercial businesses in Hanoi. Through these efforts, we will pursue growth potential and profitability in Vietnam as a second revenue pillar after Singapore.

<Finance>

We have introduced a new six-month savings course in addition to the existing 12-month savings course for our SUGO-TSUMI savings service using Takashimaya NEOBANK. Customers will be able to use the amount of savings, plus bonus, that they have saved in a short period of time for shopping. The introduction of this course will encourage new customers to join and increase customer contact points.

Moreover, Takashimaya Financial Partners Co., Ltd. has obtained a banking agency license with SBI Sumishin Net Bank serving as the affiliated bank. We will begin offering banking products at the Takashimaya financial counters in our Nihombashi Store, Yokohama Store and Osaka Store and elsewhere. This will allow us to provide comprehensive financial consulting and services including securities, insurance, inheritance and trusts.

Furthermore, we will expand our business in the independent financial advisor (IFA) market. For example, we will promote mutual referrals with our Vaste Culture & Cie. subsidiary. We will provide high-quality private bank services. That will allow us to strengthen our group's customer base as well as to increase profits in the finance business.

<Construction & Design>

Takashimaya Space Create Co., Ltd. will establish a new company to handle residential interior design in Vietnam. This company will capture demand for Japanese-quality residential interiors which is expected to increase in the future as living standards improve.

<Others>

The food and beverage company R.T. Corporation Ltd. opened a new central kitchen facility last year. The company will use this kitchen together with its existing facilities to improve the efficiency of manufacturing, processing and procurement logistics while further promoting the development of unique products.

CENTURY & Co., Ltd. will aim to accept more orders by leveraging its high-quality business operational abilities that it has built up at department stores.

Additionally, the advertising business All Takashimaya Agency Co., Ltd. will strengthen its expertise in the digital field.

We will continue to enhance the competitiveness of each of our businesses. This will lead to us building a stable revenue base.

(5) Basic Strategy for Capital Policy

The Company will enhance its financial soundness by increasing equity and reducing interest-bearing debt to prepare for future business risks and procure capital for sustainable growth investments. The Company sets ROIC, EBITDA, equity ratio, DOE, and TSR as key performance indicators (KPI). In particular, we are implementing ROIC management as an initiative to promote management that is focused on capital costs. The ROIC for FY2024 was 6.4%, exceeding the WACC of 4.8%. We will keep on using ROIC trees specific to the characteristics of each business entity, including each department store, to build a system that enables each individual on the front lines to be aware of ROIC and take action accordingly. For EBITDA, the Company sets a value for net interest-bearing debt to EBITDA to promote financial stability and also sets a value for EBITDA to total assets to ensure the Group's ability to generate cash.

All KPI are disclosed in financial results briefing material*.

* https://www.takashimaya.co.jp/corp/english/ir/financial/

<Assumptions concerning cash allocation>

The Company assumes that allocation towards investments for sustainable growth will account for approximately 80% to 90% of cash flows from operating activities. As a breakdown, roughly 70% will be allocated to growth investments in Japan and overseas with a focus on commercial property development while roughly 30% will be allocated towards investments in store safety and security, ESG, and human capital. Furthermore, from the perspective of financial soundness, expenditures aimed at reducing interest-bearing debt in anticipation of the lease accounting standards to be applied from FY2028 are expected to account for 3% to 5% of operating cash flow. The Company assumes 7% to 10% of cash flows from operating activities will be allocated towards shareholder returns.

<Shareholder returns>

Dividends will consist of progressive dividends based on increases in net assets with consideration also given to EBITDA and cash flows from operating activities. In times of favorable performance trends or other factors that result in free cash flow outperforming assumptions, the Company will make a comprehensive decision on whether to increase investment amounts, further reduce interest-bearing debt, or issue additional shareholder returns.

2. Basic Policy Regarding Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese accounting standards.

The Group's policy regarding the future adoption of International Financial Reporting Standards (IFRS) is to respond appropriately in line with the situation in Japan and overseas and industry trends.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	※6 94,752	※6 90,538
Notes and accounts receivable - trade, and contract assets	※5 156,981	※5 164,398
Merchandise and finished goods	35,904	35,366
Work in process	243	290
Raw materials and supplies	987	958
Other	39,709	42,621
Allowance for doubtful accounts	(733)	(671)
Total current assets	327,845	333,501
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	※1,※3 191,580	※1,※3 193,090
Machinery, equipment and vehicles, net	※1 715	※1 790
Tools, furniture and fixtures, net	※1,※3 11,557	※1,※3 11,723
Land	※2 419,852	※2 419,861
Leased assets, net	※1 829	※1 586
Construction in progress	9,075	9,982
Right-of-use assets, net	※1 123,628	※1 123,739
Total property, plant and equipment	757,240	759,774
Intangible assets		
Goodwill	2,467	2,736
Leasehold interests in land	11,269	11,696
Right-of-use assets	6,566	6,899
Other	15,269	15,693
Total intangible assets	35,574	37,025
Investments and other assets		
Investment securities	※4 101,495	※4 119,967
Guarantee deposits	※6 25,948	※6 23,919
Deferred tax assets	17,062	11,446
Retirement benefit asset	–	2,463
Other	7,470	10,110
Allowance for doubtful accounts	(2,162)	(2,197)
Total investments and other assets	149,815	165,710
Total non-current assets	942,629	962,510
Total assets	1,270,475	1,296,012

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	124,137	123,849
Short-term borrowings	43,580	37,672
Lease liabilities	8,346	9,313
Income taxes payable	4,574	7,233
Contract liabilities	98,646	100,744
Gift certificates	41,868	40,328
Deposits received	66,408	63,491
Provision for point card certificates	2,190	2,181
Provision for bonuses for directors (and other officers)	140	145
Other	27,422	30,586
Total current liabilities	417,315	415,546
Non-current liabilities		
Bonds payable	80,143	80,113
Long-term borrowings	85,228	83,818
Lease liabilities	128,515	130,558
Asset retirement obligations	6,635	4,991
Retirement benefit liability	39,103	37,974
Provision for retirement benefits for directors (and other officers)	264	276
Deferred tax liabilities	2,268	2,705
Deferred tax liabilities for land revaluation	※2 9,049	※2 9,049
Other	23,149	30,630
Total non-current liabilities	374,357	380,117
Total liabilities	791,673	795,663
Net assets		
Shareholders' equity		
Share capital	66,025	66,025
Capital surplus	54,790	37,522
Retained earnings	320,867	335,679
Treasury shares	(32,692)	(12,530)
Total shareholders' equity	408,991	426,695
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,944	8,713
Deferred gains or losses on hedges	3	5
Revaluation reserve for land	※2 3,972	※2 3,972
Foreign currency translation adjustment	25,050	30,285
Remeasurements of defined benefit plans	4,116	3,376
Total accumulated other comprehensive income	45,087	46,352
Non-controlling interests	24,722	27,299
Total net assets	478,802	500,348
Total liabilities and net assets	1,270,475	1,296,012

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

(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Operating revenue	466,134	498,491
Net sales	385,830	412,769
Cost of sales	187,578	199,099
Gross profit	198,252	213,669
Other operating revenue	80,303	85,722
Operating gross profit	278,555	299,392
Selling, general and administrative expenses		
Advertising expenses	10,730	11,329
Provision for point card certificates	2,190	2,181
Distribution and operational expenses	32,326	32,799
Supplies expenses	3,063	3,110
Provision of allowance for doubtful accounts	681	664
Remuneration, salaries and allowances for directors (and other officers)	61,587	64,742
Retirement benefit expenses	815	821
Provision for bonuses for directors (and other officers)	140	145
Provision for retirement benefits for directors (and other officers)	65	103
Welfare expenses	12,869	13,462
Heating and lighting expenses	11,655	12,311
Commission expenses	9,665	12,385
Rent expenses on real estate	22,818	22,773
Rent expenses on machines	933	1,005
Depreciation	34,207	32,878
Amortization of goodwill	311	332
Other	28,552	30,840
Total selling, general and administrative expenses	232,618	241,888
Operating profit	45,937	57,503
Non-operating income		
Interest income	2,140	2,056
Dividend income	1,194	2,162
Gain on adjustment of unused certificates	1,500	1,558
Foreign exchange gains	329	609
Share of profit of entities accounted for using equity method	3,223	3,686
Other	922	1,464
Total non-operating income	9,310	11,538
Non-operating expenses		
Interest expenses	5,691	7,875
Other	357	770
Total non-operating expenses	6,049	8,645
Ordinary profit	49,199	60,396

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Extraordinary income		
Gain on sale of non-current assets	–	※1 76
Gain on sale of investment securities	–	4,079
Gain on forgiveness of lease liabilities	94	27
Gain on reversal of loss on store closings	87	–
Other	12	6
Total extraordinary income	194	4,190
Extraordinary losses		
Loss on retirement of non-current assets	※2 2,904	※2 2,916
Loss on valuation of investment securities	–	434
Impairment losses	※3 5,591	※3 2,892
Loss on store closings	329	1,080
Other	15	8
Total extraordinary losses	8,840	7,332
Profit before income taxes	40,553	57,253
Income taxes - current	4,801	9,104
Income taxes - deferred	2,738	7,479
Total income taxes	7,539	16,583
Profit	33,013	40,670
Profit attributable to non-controlling interests	1,392	1,145
Profit attributable to owners of parent	31,620	39,525

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Profit	33,013	40,670
Other comprehensive income		
Valuation difference on available-for-sale securities	3,844	(3,277)
Deferred gains or losses on hedges	4	2
Foreign currency translation adjustment	3,421	3,961
Remeasurements of defined benefit plans, net of tax	5,189	(726)
Share of other comprehensive income of entities accounted for using equity method	2,165	2,669
Total other comprehensive income	14,625	2,628
Comprehensive income	47,638	43,298
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	45,637	40,790
Comprehensive income attributable to non-controlling interests	2,001	2,507

(3) Consolidated statements of changes in Equity

Fiscal year ended February 29, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	66,025	54,790	294,129	(32,690)	382,255
Changes during period					
Dividends of surplus			(4,889)		(4,889)
Profit attributable to owners of parent			31,620		31,620
Purchase of treasury stock and disposal of treasury stock		—	—	(2)	(2)
Cancelation of treasury shares		—	—	—	—
Change in scope of consolidation			7		7
Change in ownership interest of parent due to transactions with non-controlling interests		—			—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	26,738	(2)	26,736
Balance at end of period	66,025	54,790	320,867	(32,692)	408,991

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,366	(1)	3,972	19,811	(1,079)	31,070	23,155	436,482
Changes during period								
Dividends of surplus								(4,889)
Profit attributable to owners of parent								31,620
Purchase of treasury stock and disposal of treasury stock								(2)
Cancelation of treasury shares								—
Change in scope of consolidation								7
Change in ownership interest of parent due to transactions with non-controlling interests								—
Net changes in items other than shareholders' equity	3,578	4	—	5,238	5,196	14,016	1,566	15,583
Total changes during period	3,578	4	—	5,238	5,196	14,016	1,566	42,319
Balance at end of period	11,944	3	3,972	25,050	4,116	45,087	24,722	478,802

Fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	66,025	54,790	320,867	(32,692)	408,991
Changes during period					
Dividends of surplus			(6,782)		(6,782)
Profit attributable to owners of parent			39,525		39,525
Purchase of treasury stock and disposal of treasury stock		80	0	(15,136)	(15,056)
Cancelation of treasury shares		(17,393)	(17,904)	35,297	—
Change in scope of consolidation			(27)		(27)
Change in ownership interest of parent due to transactions with non-controlling interests		44			44
Net changes in items other than shareholders' equity					—
Total changes during period	—	(17,268)	14,811	20,161	17,704
Balance at end of period	66,025	37,522	335,679	(12,530)	426,695

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,944	3	3,972	25,050	4,116	45,087	24,722	478,802
Changes during period								
Dividends of surplus								(6,782)
Profit attributable to owners of parent								39,525
Purchase of treasury stock and disposal of treasury stock								(15,056)
Cancelation of treasury shares								—
Change in scope of consolidation								(27)
Change in ownership interest of parent due to transactions with non-controlling interests								44
Net changes in items other than shareholders' equity	(3,230)	2	—	5,234	(740)	1,265	2,576	3,841
Total changes during period	(3,230)	2	—	5,234	(740)	1,265	2,576	21,546
Balance at end of period	8,713	5	3,972	30,285	3,376	46,352	27,299	500,348

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	40,553	57,253
Depreciation	34,216	32,888
Impairment losses	5,591	2,892
Amortization of goodwill	311	332
Increase (decrease) in allowance for doubtful accounts	(237)	(28)
Increase (decrease) in retirement benefit liability	(3,633)	(4,631)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	15	12
Increase (decrease) in provision for point card certificates	(11)	(8)
Interest and dividend income	(3,334)	(4,218)
Interest expenses	5,691	7,875
Share of loss (profit) of entities accounted for using equity method	(3,223)	(3,686)
Loss (gain) on sale of non-current assets	–	(76)
Loss on retirement of non-current assets	2,904	2,916
Loss (gain) on sale of investment securities	–	(4,079)
Decrease (increase) in trade receivables	(13,428)	(7,231)
Decrease (increase) in inventories	(571)	754
Increase (decrease) in trade payables	12,457	(800)
Increase (decrease) in deposits received	10,763	(3,071)
Increase (decrease) in accounts payable - other	(6,253)	1,583
Increase (decrease) in contract liabilities	1,145	1,443
Other, net	(17,948)	(1,190)
Subtotal	65,009	78,930
Interest and dividends received	4,943	6,197
Interest paid	(5,712)	(7,817)
Income taxes paid	(4,704)	(4,816)
Net cash provided by (used in) operating activities	59,536	72,493
Cash flows from investing activities		
Payments into time deposits	(1)	(1,497)
Proceeds from withdrawal of time deposits	523	1,524
Purchase of short-term and long-term investment securities	(1,926)	(2,908)
Proceeds from sale and redemption of short-term and long-term investment securities	–	4,672
Purchase of property, plant and equipment and intangible assets	(27,857)	(28,811)
Proceeds from sale of property, plant and equipment and intangible assets	3	96
Payments for asset retirement obligations	(380)	(196)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(0)	(326)
Purchase of shares of subsidiaries and associates	(12,072)	(10,388)
Net decrease (increase) in short-term loans receivable	1,967	(3,045)
Long-term loan advances	(1)	(153)
Other, net	1,243	1,340
Net cash provided by (used in) investing activities	(38,501)	(39,694)

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Cash flows from financing activities		
Proceeds from long-term borrowings	–	28,000
Repayments of long-term borrowings	(4,660)	(38,580)
Repayments of lease liabilities	(10,500)	(8,824)
Purchase of treasury shares	(2)	(15,001)
Dividends paid	(4,889)	(6,782)
Other, net	(547)	(584)
Net cash provided by (used in) financing activities	(20,600)	(41,772)
Effect of exchange rate change on cash and cash equivalents	3,832	3,992
Net increase (decrease) in cash and cash equivalents	4,267	(4,980)
Cash and cash equivalents at beginning of period	88,631	92,898
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	641
Cash and cash equivalents at end of period	※1 92,898	※1 88,559

(5) Notes to Consolidated Financial Statements

[Notes on Premise of Going Concern]

Not applicable.

[Changes in Significant Subsidiaries During the Year Ended February 28, 2025]

(i) Significant changes in the scope of consolidation

In the fiscal year ended February 28, 2025, the following nine companies were newly included in the scope of consolidation.

New establishment	: TVNVY PTE.LTD.
Share acquisition	: Vaste Culture & Cie.
Increased significance	: Toshin Property Investment PTE.LTD., Toshin Education Investment PTE.LTD., VN AB Holding PTE.LTD., VNSL Holdings PTE.LTD., VNIP Holdings PTE.LTD., VNLL Holdings PTE.LTD., VNOP Holdings PTE.LTD.

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

Not applicable.

[Changes in Presentation]

(Consolidated Statements of Income)

"Loss on store closings," which had been included in "Other" of "Extraordinary losses" in the previous consolidated fiscal year (329 million yen for the previous consolidated fiscal year), is presented separately from the fiscal year under review, given its increased financial materiality.

[Notes on Consolidated Balance Sheets]

Note 1, Accumulated depreciation of property, plant and equipment is as follows.

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Accumulated depreciation of property, plant and equipment	384,222	415,289

Note 2, In accordance with the Law Concerning Revaluation of Land, land used for business owned by the Company and two consolidated subsidiaries was revalued. The unrealized gains, net of deferred tax, were excluded from earnings and reported as “Revaluation reserve for land” in net assets, and the relevant deferred tax was included as “Deferred tax liabilities related to land revaluation” in non-current liabilities. Related information is shown as follows:

・Revaluation method
The revaluations are calculated by performing reasonable adjustments to the standard taxable value of fixed assets as stipulated in Article 2 paragraph 3 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 promulgated on March 31, 1998) and to the roadside land prices of those lands assumed from merged companies that have roadside land prices as stipulated in Article 2 paragraph 4 of the same Order.

・Date of revaluation:

The Company	December 31, 2000 and February 28, 2001
A consolidated subsidiary	February 28, 2001
A consolidated subsidiary	March 31, 2002

Note 3, Reduction Entry

Due to acceptance of national subsidies, the following amounts of reduction entry were deducted directly from the acquisition costs of property, plant and equipment.

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Buildings and structures, net	92	95
Tools, furniture and fixtures, net	11	10
Total	104	105

Note 4, Items for non-consolidated subsidiaries and equity-method affiliates are as follows. (Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Investment securities (shares)	72,735	94,041

Note 5, The balances of notes and accounts receivable-trade decreased due to the liquidation (transfer method).

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Notes and accounts receivable-trade	23,000	23,000

Note 6, Deposited assets based on lease contracts, etc. are as follows.

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Cash and deposits	1,477	1,570
Guarantee deposits	10	10
Total	1,487	1,580

Note 7, Contingent liabilities

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Guarantees on loans from financial institutions		
Keppel Land Watco II Co., Ltd.	3,096	4,690
Keppel Land Watco III Co., Ltd.	774	1,172
Edusmart Tay Ho Education Co., Ltd. (*1, 2)	424	446
Loan guarantees made for employees	2	1
Total	4,297	6,311

＊1 318 million yen of 424 million yen for guarantees on loans from financial institutions for the year ended February 29, 2024 have been counter-guaranteed from Edufit International Education Corporation Joint Stock Company.

＊2 335 million yen of 446 million yen for guarantees on loans from financial institutions for the year ended February 28, 2025 have been counter-guaranteed from Edufit International Education Corporation Joint Stock Company.

[Notes on Consolidated Statements of Income]

Note 1, Details of gain on sale of non-current assets are as follows.

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Land	—	41
Buildings and structures, net	—	35
Total	—	76

Note 2, Details of loss on retirement of non-current assets are as follows.

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Buildings and structures, net	696	1,062
Other non-current assets	159	115
Cost of restoration	2,048	1,738
Total	2,904	2,916

Note 3, Impairment Loss

Previous fiscal year (February 29, 2024)

Impairment loss is recognized for the following asset groups. (Millions of yen)

Location	Category by use	Assets	Impairment loss
EC Division of the Company Tokyo, Japan	Business operating	Software	1,849
		Others	24
Omiya Store of the Company Saitama, Japan	Stores	Buildings	597
		Others	237
Cross media Division of the Company Tokyo, Japan	Business operating	Software	384
		Others	35
Gifu Takashimaya Co., Ltd. Gifu, Japan	Stores	Buildings	321
		Others	552
Toshin Development Co., Ltd. Tokyo, Japan	Stores	Buildings	680
		Others	21
Shanghai Takashimaya Co., Ltd. Shanghai, China	Stores	Buildings	353
		Others	51
Others	Stores	Buildings	297
		Others	183
		Total	5,591

The Company and its consolidated subsidiaries group their assets mainly by stores as the basic unit, which is the smallest unit that generates cash flow.

Among these, the book value of asset groups with a recoverable amount lower than the book value due to deterioration in performance has been reduced to the recoverable amount, and this reduction has been recorded as an impairment loss of 5,591 million yen in extraordinary losses.

The recoverable amounts of the asset groups belonging to the Company and the domestic consolidated subsidiaries are measured based on the value in use or net realizable value. The value in use is calculated to be zero because no future cash flow is expected. Net realizable value is calculated based on real estate appraisal value, etc.

The recoverable amounts of the asset groups belonging to the overseas consolidated subsidiaries are measured based on the value in use in accordance with International Financial Reporting Standards. The value in use is calculated to be zero because no future cash flows is expected.

Current fiscal year (February 28, 2025)

Impairment loss is recognized for the following asset groups. (Millions of yen)

Location	Category by use	Assets	Impairment loss
Kashiwa Store of the Company Chiba, Japan	Stores	Buildings	1,324
		Others	307
EC Division of the Company Tokyo, Japan	Business operating	Software	833
		Others	0
Cross media Division of the Company Tokyo, Japan	Business operating	Software	68
		Others	0
R.T. Corporation Ltd. Tokyo, Japan	Stores	Buildings	173
		Others	13
Others	Stores	Buildings	93
		Others	79
		Total	2,892

The Company and its consolidated subsidiaries group their assets mainly by stores as the basic unit, which is the smallest unit that generates cash flow.

Among these, the book value of asset groups with a recoverable amount lower than the book value due to deterioration in performance has been reduced to the recoverable amount, and this reduction has been recorded as an impairment loss of 2,892 million yen in extraordinary losses.

The recoverable amounts of the asset groups belonging to the Company and the domestic consolidated subsidiaries are measured based on value in use or net realizable value. For asset groups with negative future cash flows, their value in use is calculated as zero. Net realizable value is calculated based on real estate appraisal value, etc.

[Notes on Consolidated Statements of Cash Flows]

Note 1, Relationship between the balance of cash and cash equivalents at end of period and the amounts of items listed on the consolidated balance sheets.

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Cash and deposits	94,752	90,538
Time deposits with maturities exceeding three months	(1,853)	(1,978)
Cash and cash equivalents at end of period	92,898	88,559

Note 2, Significant non-cash transactions

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Right-of-use assets	51,118	－
Lease liabilities	50,009	－

[Segment Information]

1. General information about reportable segments

The reportable segments of Takashimaya Group are components of the companies whose operating results are regularly reviewed by the Board of Directors when making resource allocation and performance assessment decisions, and for which discrete financial information is available.

The segments are consisted of 6 reportable segments, with “Department Stores in Japan” centered. Considering the nature of services and businesses, we have consolidated these into reporting segments: “Department Stores in Japan,” “Overseas Department Stores,” “Commercial Property Development in Japan,” “Overseas Commercial Property Development,” “Finance” and “Construction & Design.”

“Department Stores in Japan” and “Overseas Department Stores” segments are engaged in retailing operations of clothing, accessories, home furnishings, foods and others. “Commercial Property Development in Japan” and “Overseas Commercial Property Development” segments develop commercial properties that generate synergies with the department store business, and manages and operates assets and facilities.

“Finance” segment is engaged in the brokerage of financial products such as installment investment savings and group insurance, as well as the issuance of credit cards and financial services for group companies. “Construction & Design” segment is engaged in taking orders for interior design work and its construction.

2. 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 year ended February 29, 2024, figures have been adjusted to reflect these changes.

3. Method of calculating the amounts of operating revenue, profit or loss, assets, liabilities, and other items by reportable segment

The method of accounting treatment of reportable segments is in accordance with the accounting policies adopted to prepare consolidated financial statements.

Profit of reportable segments is based on operating profit.

Intersegment revenue or transfers are based on current market prices.

4. Reportable segment information

Reportable segment information for the previous fiscal year (February 29, 2024)

(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	Adjust-ments (Note 2)	Consolidated (Note 3)
Operating revenue:											
Outside Customers	294,281	32,572	38,436	13,512	17,437	27,945	424,186	41,948	466,134	—	466,134
Intersegment	16,879	932	18,982	379	4,172	3,082	44,429	14,136	58,565	(58,565)	—
Total	311,161	33,505	57,418	13,891	21,610	31,028	468,615	56,085	524,700	(58,565)	466,134
Segment profit (loss)	21,061	8,007	7,861	4,126	4,609	(731)	44,935	2,086	47,021	(1,084)	45,937
Segment assets	553,725	122,390	219,009	172,161	133,684	19,655	1,222,627	33,242	1,255,870	14,605	1,270,475
Others:											
Depreciation	14,596	6,264	4,938	6,742	69	93	32,703	599	33,303	913	34,216
Goodwill amortization	—	—	21	289	—	1	311	—	311	—	311
Investment expenditures for affiliated company accounted for by the equity method	19,605	—	2,941	31,047	—	—	53,594	—	53,594	—	53,594
Increase in property, plant and equipment and intangible assets	21,150	628	9,874	54,164	60	41	85,921	1,460	87,381	1,006	88,387

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

Note 2, Adjustments are as follows.

(1) Adjustments to segment profit (loss) of (1,084) million yen consist of 26 million yen in eliminations of intersegment transactions and (1,110) million yen in depreciation of company-wide assets not allocated to each reportable segment.

(2) Adjustments to segment assets of 14,605 million yen include (151,635) million yen in eliminations of intersegment receivables and payables and 166,240 million yen in company-wide assets not allocated to each reportable segment. Company-wide assets consist mainly of assets not belonging to the reportable segments such as the Company's surplus funds (cash and deposits, securities) and long-term investment funds (investment securities), as well as assets related to the administrative operations.

(3) Adjustments to depreciation of 913 million yen include (196) million yen in adjustments for unrealized intersegment profit and 1,110 million yen in depreciation of company-wide assets not allocated to each reportable segment.

(4) Adjustments to increases in property, plant and equipment, and intangible assets of 1,006 million yen include 324 million yen in adjustments for unrealized intersegment profit and 681 million in increases in property, plant and equipment, and intangible assets for company-wide assets not allocated to each reportable segment.

Note 3, Segment profit (loss) is adjusted with operating profit in the consolidated statements of income, and segment assets are adjusted with total assets in the consolidated balance sheets.

Reportable segment information for the current fiscal year (February 28, 2025)

(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	Adjust-ments (Note 2)	Consolidated (Note 3)
Operating revenue:											
Outside Customers	318,210	34,287	40,833	15,434	18,851	29,997	457,614	40,877	498,491	—	498,491
Intersegment	17,701	940	10,182	634	4,303	3,463	37,226	15,780	53,006	(53,006)	—
Total	335,911	35,227	51,016	16,069	23,154	33,461	494,840	56,657	551,498	(53,006)	498,491
Segment profit	28,530	8,363	6,851	5,908	4,831	2,171	56,658	1,977	58,635	(1,132)	57,503
Segment assets	581,458	117,968	188,044	208,046	137,511	18,662	1,251,691	35,427	1,287,118	8,893	1,296,012
Others:											
Depreciation	13,735	6,254	5,186	6,439	85	56	31,758	539	32,298	590	32,888
Goodwill amortization	—	—	21	268	41	1	332	—	332	—	332
Investment expenditures for affiliated company accounted for by the equity method	21,755	—	2,986	44,176	—	—	68,917	—	68,917	—	68,917
Increase in property, plant and equipment and intangible assets	18,363	790	8,282	1,237	100	189	28,963	1,040	30,004	120	30,124

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

Note 2, Adjustments are as follows.

(1) Adjustments to segment profit of (1,132) million yen consist of (10) million yen in eliminations of intersegment transactions and (1,121) million yen in depreciation of company-wide assets not allocated to each reportable segment.

(2) Adjustments to segment assets of 8,893 million yen include (138,164) million yen in eliminations of intersegment receivables and payables and 147,057 million yen in company-wide assets not allocated to each reportable segment. Company-wide assets consist mainly of assets not belonging to the reportable segments such as the Company's surplus funds (cash and deposits, securities) and long-term investment funds (investment securities), as well as assets related to the administrative operations.

(3) Adjustments to depreciation of 590 million yen include (531) million yen in adjustments for unrealized intersegment profit and 1,121 million yen in depreciation of company-wide assets not allocated to each reportable segment.

(4) Adjustments to increases in property, plant and equipment, and intangible assets of 120 million yen include (12) million yen in adjustments for unrealized intersegment profit and 133 million in increases in property, plant and equipment, and intangible assets for company-wide assets not allocated to each reportable segment.

Note 3, Segment profit is adjusted with operating profit in the consolidated statements of income, and segment assets are adjusted with total assets in the consolidated balance sheets.

(Related information)

Previous fiscal year (February 29, 2024)

1. Information by product and service

Information by product and service as at February 29, 2024 has been omitted, because similar information is disclosed as above.

2. Information by geographical area

(1) Operating revenue

(Millions of yen)

Japan	Singapore	Others	Total
418,414	36,668	11,051	466,134

(2) Property, plant and equipment

(Millions of yen)

Japan	Singapore	Others	Total
615,104	117,193	24,942	757,240

3. Information by major customer

This information as at February 29, 2024 has been omitted because there are no customers accounting for over 10% of the operating revenue on the Consolidated Statements of Income.

Current fiscal year (February 28, 2025)

1. Information by product and service

Information by product and service as at February 28, 2025 has been omitted, because similar information is disclosed as above.

2. Information by geographical area

(1) Operating revenue

(Millions of yen)

Japan	Singapore	Others	Total
447,842	38,728	11,920	498,491

(2) Property, plant and equipment

(Millions of yen)

Japan	Singapore	Others	Total
617,514	117,154	25,105	759,774

3. Information by major customer

This information as at February 28, 2025 has been omitted because there are no customers accounting for over 10% of the operating revenue on the Consolidated Statements of Income.

(Information about impairment loss of non-current assets by reportable segments)

Previous fiscal year (February 29, 2024)

(Millions of yen)

	Reportable Segments							Others	Adjustments	Consolidated
	Department Stores in Japan	Overseas Department Stores	Commercial Property Development in Japan	Overseas Commercial Property Development	Finance	Construction & Design	Total			
Impairment loss	3,815	404	750	—	—	—	4,971	619	—	5,591

Current fiscal year (February 28, 2025)

(Millions of yen)

	Reportable Segments							Others	Adjustments	Consolidated
	Department Stores in Japan	Overseas Department Stores	Commercial Property Development in Japan	Overseas Commercial Property Development	Finance	Construction & Design	Total			
Impairment loss	2,637	—	0	—	—	—	2,637	255	—	2,892

(Amortization of goodwill and unamortized balance by reportable segments)

Previous fiscal year (February 29, 2024)
(Goodwill)

(Millions of yen)

	Reportable Segments							Others	Adjustments	Consolidated
	Department Stores in Japan	Overseas Department Stores	Commercial Property Development in Japan	Overseas Commercial Property Development	Finance	Construction & Design	Total			
Amortization	—	—	21	289	—	1	311	—	—	311
Unamortized balance	—	—	126	2,338	—	3	2,467	—	—	2,467

(Negative goodwill)
Not applicable.

Current fiscal year (February 28, 2025)
(Goodwill)

(Millions of yen)

	Reportable Segments							Others	Adjustments	Consolidated
	Department Stores in Japan	Overseas Department Stores	Commercial Property Development in Japan	Overseas Commercial Property Development	Finance	Construction & Design	Total			
Amortization	—	—	21	268	41	1	332	—	—	332
Unamortized balance	—	—	105	2,170	459	1	2,736	—	—	2,736

(Negative goodwill)
Not applicable.

[Per share information]

1. Per share information (Yen)

Previous fiscal year ended February 29, 2024		Current fiscal year ended February 28, 2025	
Net assets per share	1,439.41	Net assets per share	1,559.30
Basic earnings per share	100.24	Basic earnings per share	126.33
Diluted earnings per share	85.27	Diluted earnings per share	107.25

Note: The Company has conducted a 2-for-1 stock split of shares of common stock on September 1, 2024. Net assets per share, Basic 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. Basis of calculation

(1) Net assets per share

		Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Total net assets	(Millions of yen)	478,802	500,348
Adjusted net assets	(Millions of yen)	454,079	473,048
Main details of the difference between total net assets on the consolidated balance sheet and net assets at the end of the current fiscal year related to common shares used in the calculation of net assets per share Non-controlling interests	(Millions of yen)	24,722	27,299
Issued number of shares	(Shares)	355,518,962	315,566,316
Treasury shares	(Shares)	40,057,156	12,194,482
Outstanding number of shares	(Shares)	315,461,806	303,371,834

(2) Basic earnings per share and Diluted earnings per share

		Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Profit attributable to owners of parent	(Millions of yen)	31,620	39,525
Profit attributable to owners of parent concerning common stock	(Millions of yen)	31,620	39,525
Amounts not belonging to common shareholders	(Millions of yen)	—	—
Weighted average number of shares	(Shares)	315,462,950	312,866,668
Main breakdown of net profit adjustments used to calculate diluted earnings per share Other non-operating income (after deducting the tax-equivalent amount)	(Millions of yen)	(20)	(20)
Adjusted profit attributable to owners of parent	(Millions of yen)	(20)	(20)
Main breakdown of increase in number of common shares used to calculate diluted earnings per share Assumed conversion of convertible bonds	(Shares)	55,109,070	55,463,117
Increase in number of common shares	(Shares)	55,109,070	55,463,117
Overview of potential shares not included in the calculation of diluted earnings per share due to having no dilutive effect		—	—

[Significant Subsequent Events]

Not applicable.

4. Non-consolidated Financial Statements and Major Notes

(1) Non-consolidated Balance sheets

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	41,901	32,850
Notes receivable - trade	274	188
Accounts receivable - trade	※1 70,138	※1 76,748
Merchandise	28,636	28,500
Supplies	647	668
Advance payments to suppliers	494	501
Prepaid expenses	2,918	2,951
Short-term loans receivable	※1 9,687	※1 13,765
Advances paid	※1 6,467	※1 4,821
Other	※1 25,299	※1 23,214
Allowance for doubtful accounts	(6,775)	(2,029)
Total current assets	179,690	182,180
Non-current assets		
Property, plant and equipment		
Buildings	※3 113,383	※3 113,242
Structures	1,380	1,243
Vehicles	0	0
Tools, furniture and fixtures	6,371	6,365
Land	355,516	355,511
Leased assets	525	216
Construction in progress	621	878
Total property, plant and equipment	477,799	477,459
Intangible assets		
Leasehold interests in land	3,777	3,777
Share of joint facilities	4,213	3,960
Software	7,914	5,932
Other	1,585	4,268
Total intangible assets	17,491	17,939
Investments and other assets		
Investment securities	22,791	19,038
Shares of subsidiaries and associates	46,499	47,244
Long-term loans receivable	※1 66,846	※1 82,130
Guarantee deposits	※1 17,853	※1 15,753
Deferred tax assets	12,702	6,321
Other	594	520
Allowance for doubtful accounts	(268)	(5,301)
Total investments and other assets	167,019	165,707
Total non-current assets	662,310	661,106
Total assets	842,001	843,286

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	※1 72,492	※1 76,732
Short-term borrowings	※1 146,398	※1 136,110
Lease liabilities	377	198
Accounts payable - other	※1 13,809	※1 17,808
Income taxes payable	787	2,094
Accrued expenses	886	1,047
Contract liabilities	14,539	15,366
Gift certificates	41,862	40,322
Deposits received	※1 67,282	※1 69,864
Provision for bonuses for directors (and other officers)	96	96
Provision for point card certificates	2,190	2,181
Other	※1 3,771	※1 2,958
Total current liabilities	364,494	364,780
Non-current liabilities		
Bonds payable	80,143	80,113
Long-term borrowings	84,500	83,000
Lease liabilities	266	68
Provision for retirement benefits	40,516	36,445
Provision for loss on business of subsidiaries and associates	1,337	2,140
Long-term deposits received	※1 7,223	※1 7,246
Deferred tax liabilities for land revaluation	8,372	8,372
Other	2,368	637
Total non-current liabilities	224,727	218,023
Total liabilities	589,222	582,804

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Net assets		
Shareholders' equity		
Share capital	66,025	66,025
Capital surplus		
Legal capital surplus	36,634	36,634
Other capital surplus	17,393	–
Total capital surplus	54,028	36,634
Retained earnings		
Legal retained earnings	60	60
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	29,965	29,945
General reserve	72,070	72,070
Retained earnings brought forward	49,729	56,711
Total retained earnings	151,824	158,787
Treasury shares	(32,851)	(12,555)
Total shareholders' equity	239,026	248,891
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,525	8,362
Deferred gains or losses on hedges	3	5
Revaluation reserve for land	3,223	3,223
Total valuation and translation adjustments	13,752	11,591
Total net assets	252,779	260,482
Total liabilities and net assets	842,001	843,286

(2) Non-consolidated Statements of Income

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Operating revenue	※1 313,047	※1 339,115
Net sales	※1 287,325	※1 312,280
Cost of sales	※1 133,475	※1 146,189
Gross profit	153,849	166,091
Other operating revenue	※1 25,722	※1 26,834
Operating gross profit	179,572	192,925
Selling, general and administrative expenses	※1,※2 159,991	※1,※2 165,506
Operating profit	19,580	27,419
Non-operating income		
Interest and dividend income	※1 13,711	※1 17,073
Gain on adjustment of unused certificates	1,001	1,284
Other	※1 632	※1 858
Total non-operating income	15,345	19,216
Non-operating expenses		
Interest expenses	※1 1,816	※1 2,056
Provision for loss on business of subsidiaries and associates	413	1,192
Cost of collecting adjusted unused certificates	402	593
Other	※1 141	※1 278
Total non-operating expenses	2,773	4,121
Ordinary profit	32,152	42,514
Extraordinary income		
Gain on sale of non-current assets	–	※3 76
Gain on sale of investment securities	–	※4 2,732
Gain on reversal of loss on store closings	87	–
Other	8	–
Total extraordinary income	96	2,809
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	1,521	–
Loss on valuation of investment securities	–	432
Loss on retirement of non-current assets	※5 2,288	※5 2,252
Impairment losses	※6 3,361	※6 2,706
Loss on store closings	37	709
Other	8	–
Total extraordinary losses	7,217	6,100
Profit before income taxes	25,031	39,222
Income taxes - current	(1,732)	378
Income taxes - deferred	1,732	7,195
Total income taxes	0	7,573
Profit	25,031	31,648

(3) Non-consolidated Statements of Changes in Equity

Fiscal year ended February 29, 2024

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	66,025	36,634	17,393	54,028	60	32,047	72,070	27,505	131,683
Changes during period									
Dividends of surplus								(4,889)	(4,889)
Reversal of reserve for tax purpose reduction entry of non-current assets						(2,082)		2,082	–
Profit								25,031	25,031
Purchase of treasury stock and disposal of treasury stock									
Cancelation of treasury shares									
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	–	(2,082)	–	22,223	20,141
Balance at end of period	66,025	36,634	17,393	54,028	60	29,965	72,070	49,729	151,824

	Shareholders' equity		Valuation and translation adjustment				Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustment	
Balance at beginning of period	(32,849)	218,887	7,156	(1)	3,223	10,379	229,266
Changes during period							
Dividends of surplus		(4,889)					(4,889)
Reversal of reserve for tax purpose reduction entry of non-current assets		–					–
Profit		25,031					25,031
Purchase of treasury stock and disposal of treasury stock	(2)	(2)					(2)
Cancelation of treasury shares		–					–
Net changes in items other than shareholders' equity		–	3,369	4	–	3,373	3,373
Total changes during period	(2)	20,139	3,369	4	–	3,373	23,512
Balance at end of period	(32,851)	239,026	10,525	3	3,223	13,752	252,779

Fiscal year ended February 28, 2025

	Shareholders' equity: Share capital	Shareholders' equity: Capital surplus: Legal capital surplus	Shareholders' equity: Capital surplus: Other capital surplus	Shareholders' equity: Capital surplus: Total capital surplus	Shareholders' equity: Retained earnings: Legal retained earnings	Shareholders' equity: Retained earnings: Other retained earnings: Reserve for tax purpose reduction entry of non-current assets	Shareholders' equity: Retained earnings: Other retained earnings: General reserve	Shareholders' equity: Retained earnings: Other retained earnings: Retained earnings brought forward	Shareholders' equity: Retained earnings: Total retained earnings
Balance at beginning of period	66,025	36,634	17,393	54,028	60	29,965	72,070	49,729	151,824
Changes during period									
Dividends of surplus								(6,782)	(6,782)
Reversal of reserve for tax purpose reduction entry of non-current assets						(20)		20	－
Profit								31,648	31,648
Purchase of treasury stock and disposal of treasury stock			0	0					－
Cancelation of treasury shares			(17,393)	(17,393)				(17,903)	(17,903)
Net changes in items other than shareholders' equity									
Total changes during period	－	－	(17,393)	(17,393)	－	(20)	－	6,982	6,962
Balance at end of period	66,025	36,634	－	36,634	60	29,945	72,070	56,711	158,787

	Shareholders' equity: Treasury shares	Shareholders' equity: Total shareholders' equity	Valuation and translation adjustment: Valuation difference on available-for-sale securities	Valuation and translation adjustment: Deferred gains or losses on hedges	Valuation and translation adjustment: Revaluation reserve for land	Valuation and translation adjustment: Total valuation and translation adjustment	Total net assets
Balance at beginning of period	(32,851)	239,026	10,525	3	3,223	13,752	252,779
Changes during period							
Dividends of surplus		(6,782)					(6,782)
Reversal of reserve for tax purpose reduction entry of non-current assets		－					－
Profit		31,648					31,648
Purchase of treasury stock and disposal of treasury stock	(15,001)	(15,001)					(15,001)
Cancelation of treasury shares	35,297	－					－
Net changes in items other than shareholders' equity		－	(2,163)	2	－	(2,161)	(2,161)
Total changes during period	20,296	9,865	(2,163)	2	－	(2,161)	7,703
Balance at end of period	(12,555)	248,891	8,362	5	3,223	11,591	260,482

(4) Notes to Non-consolidated Financial Statements

[Notes on Premise of Going Concern]
Not applicable.

[Changes in Presentation]
(Non-consolidated Statements of Income)

Because “Provision of allowance for doubtful accounts” under “Non-operating expenses” presented separately in the previous fiscal year became immaterial, it is included in “Other” from the current fiscal year. As a result, the “Provision of allowance for doubtful accounts” of 9 million yen and “Other” of 132 million yen presented under “Non-operating expenses” in the previous fiscal year’s Non-consolidated Statements of Income have been reclassified as “Other” of 141 million yen.

“Loss on store closings,” which had been included in “Other” of “Extraordinary losses” in the previous fiscal year (37 million yen for the previous fiscal year), is presented separately from the fiscal year under review, given its increased financial materiality.

[Notes on Non-consolidated Balance Sheets]

Note 1, Monetary claims and liabilities to subsidiaries and associates (excluding items presented separately) (Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Short-term monetary claims	54,572	56,926
Long-term monetary claims	69,586	86,577
Short-term monetary liabilities	165,962	168,486
Long-term monetary liabilities	4,477	4,488

2, Guarantee liabilities

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Loan guarantees made for employees	2	1

Note 3, Reduction entry

Due to acceptance of national subsidies, the following amounts of reduction entry were deducted directly from the acquisition costs of property, plant and equipment.

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Buildings	70	70

[Notes on Non-consolidated Statements of Income]

Note 1, Transactions with subsidiaries and associates.

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Operating transactions		
Net sales	1,048	1,121
Purchase of goods	6,120	6,174
Selling, general and administrative expenses	38,270	41,695
Other transactions	20,148	21,097
Non-operating transactions	25,767	21,527

Note 2, The main items and amounts in selling, general and administrative expenses are as follows.

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Directors' remuneration and salary allowances	39,022	40,178
Advertising expenses	9,209	8,549
Provision for point card certificates	934	2,181
Distribution and operational expenses	31,455	32,210
Depreciation	15,375	14,477
Rent expenses on real estate	21,134	20,707

Note 3, Details of gain on sale of non-current assets are as follows.

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Land	—	41
Buildings and structures, net	—	35
Total	—	76

Note 4, Gain on sale of investment securities in the current fiscal year is mainly due to the sale of listed shares.

Note 5, Loss on retirement of non-current assets consists of the following.

(Millions of yen)

	Previous fiscal year ended February 29, 2024	Current fiscal year ended February 28, 2025
Buildings	644	716
Other non-current assets	122	73
Cost of restoration	1,521	1,461
Total	2,288	2,252

Note 6, Impairment loss

Previous fiscal year (February 29, 2024)

Impairment loss is recognized for the following asset groups.

(Millions of yen)

<table>
<tr><th>Location</th><th>Category by use</th><th>Assets</th><th>Impairment loss</th></tr>
<tr><td rowspan="2">EC Division
Tokyo, Japan</td><td rowspan="2">Business operating</td><td>Software</td><td>1,849</td></tr>
<tr><td>Others</td><td>24</td></tr>
<tr><td rowspan="2">Omiya Store
Saitama, Japan</td><td rowspan="2">Stores</td><td>Buildings</td><td>597</td></tr>
<tr><td>Others</td><td>237</td></tr>
<tr><td rowspan="2">Cross media Division
Tokyo, Japan</td><td rowspan="2">Business operating</td><td>Software</td><td>384</td></tr>
<tr><td>Others</td><td>35</td></tr>
<tr><td rowspan="2">Others</td><td rowspan="2">Stores</td><td>Buildings</td><td>76</td></tr>
<tr><td>Others</td><td>155</td></tr>
<tr><td colspan="2"></td><td>Total</td><td>3,361</td></tr>
</table>

The Company groups its assets mainly by stores as the basic unit, which is the smallest unit that generates cash flow.

Among these, the book value of asset groups with a recoverable amount lower than the book value due to deterioration in performance has been reduced to the recoverable amount, and this reduction has been recorded as an impairment loss of 3,361 million yen in extraordinary losses. The recoverable amount is measured based on the value in use or net realizable value. The value in use is calculated to be zero because no future cash flow is expected. Net realizable value is calculated based on real estate appraisal value, etc.

Current fiscal year (February 28, 2025)
Impairment loss is recognized for the following asset groups.

(Millions of yen)

Location	Category by use	Assets	Impairment loss
Kashiwa Store Chiba, Japan	Stores	Buildings	1,324
		Others	307
EC Division Tokyo, Japan	Business operating	Software	833
		Others	0
Cross media Division Tokyo, Japan	Business operating	Software	68
		Others	0
Others	Stores	Buildings	93
		Others	78
		Total	2,706

The Company groups its assets mainly by stores as the basic unit, which is the smallest unit that generates cash flow.

Among these, the book value of asset groups with a recoverable amount lower than the book value due to deterioration in performance has been reduced to the recoverable amount, and this reduction has been recorded as an impairment loss of 2,706 million yen in extraordinary losses. The recoverable amount is measured based on value in use or net realizable value. For asset groups with negative future cash flows, their value in use is calculated as zero. Net realizable value is calculated based on real estate appraisal value, etc.

[Significant Subsequent Events]

Not applicable.

5. Others

Changes in Officers

Changes in officers at the Ordinary General Meeting of Shareholders to be held on May 20, 2025

(1) Change of Representative Director

Not applicable

(2) Change of other officers

- Candidates for new Directors

Tomoko Sugiyama	Managing Executive Officer General Manager of Administration Headquarters
Hitoshi Namba	Managing Executive Officer General Manager of Osaka Store
Kazuhiro Aoki	Managing Executive Officer General Manager of Marketing and sales promotion office

- Directors planning to retire

Nobukazu Yagi
Shunzo Takayama
Yuko Utsunomiya