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April 14, 2025

Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (Under Japanese GAAP)



Company name: Matsuya Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 8237
 URL: <https://www.matsuya.com/>
 Representative: Takehiko Furuya, Representative Director, President and Executive Operating Officer
 Inquiries: Yasunori Seki, General Manager, Corporate Communication, General Affairs Department
 Telephone: +81-3-3567-1211
 Scheduled date of annual general meeting of shareholders: May 29, 2025
 Scheduled date to commence dividend payments: May 14, 2025
 Scheduled date to file annual securities report: May 30, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

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

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	48,120	16.7	4,485	50.8	4,464	51.9	2,383	(9.4)
February 29, 2024	41,251	19.9	2,974	755.0	2,938	—	2,631	(40.0)

Note: Comprehensive income For the fiscal year ended February 28, 2025: ¥2,949 million [(30.4)%]
 For the fiscal year ended February 29, 2024: ¥4,236 million [(16.1)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
February 28, 2025	44.93	—	8.8	6.2	9.3
February 29, 2024	49.59	—	11.0	4.4	7.2

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended February 28, 2025: ¥(37) million
 For the fiscal year ended February 29, 2024: ¥19 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2025	76,107	29,200	37.1	532.71
February 29, 2024	68,874	26,816	37.7	489.17

Reference: Equity
 As of February 28, 2025: ¥28,263 million
 As of February 29, 2024: ¥25,953 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2025	3,066	(5,531)	3,129	3,861
February 29, 2024	2,300	(4,024)	(1,338)	3,196

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 29, 2024	—	2.50	—	7.50	10.00	531	20.2	2.2
Fiscal year ended February 28, 2025	—	3.00	—	9.00	12.00	637	26.7	2.3
Fiscal year ending February 28, 2026 (Forecast)	—	6.00	—	6.00	12.00		27.7	

3. Consolidated financial result forecasts for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	50,000	3.9	4,000	(10.8)	4,000	(10.4)	2,300	(3.5)	43.35

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: — companies (Company name: —)

Excluded: — companies (Company name: —)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: Yes

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of February 28, 2025	53,289,640 shares
As of February 29, 2024	53,289,640 shares

(ii) Number of treasury shares at the end of the period

As of February 28, 2025	234,025 shares
As of February 29, 2024	233,898 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended February 28, 2025	53,055,664 shares
Fiscal year ended February 29, 2024	53,055,784 shares

[Reference] Overview of non-consolidated financial results

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

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2025	40,071	16.4	4,929	66.7	4,606	66.2	2,951	15.3
February 29, 2024	34,417	23.7	2,958	690.1	2,771	—	2,560	(26.6)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
February 28, 2025	55.55	—
February 29, 2024	48.19	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2025	75,199	26,346	35.0	495.92
February 29, 2024	68,121	23,753	34.9	447.10

Reference: Equity

As of February 28, 2025: ¥26,346 million

As of February 29, 2024: ¥23,753 million

2. Non-consolidated financial result forecasts for the fiscal year ending February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary income		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	40,000	(0.2)	4,000	(13.2)	2,500	(15.3)	47.06

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of financial results forecasts and other special matters

Financial results forecasts and other forward-looking statements contained herein are based on information available as of this report's publication and certain assumptions that are deemed reasonable, and actual results may differ significantly due to various factors. For the assumptions underlying the forecasts herein and cautionary notes on the use of these financial results forecasts, please refer to "1. Overview of Operating Results, etc. (4) Future Outlook" on page 3 of the Attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, although certain delays in improvement were observed, the Japanese economy maintained a moderate recovering trend, as exemplified by a Nikkei Stock Average of over ¥40,000 recorded in July 2024, with the background of the economic measures by the current government and financial policies of the Bank of Japan.

However, the future outlook remained unclear due to increased uncertainty resulting from impacts of various factors, such as supply shortages and price hikes caused by heightened geopolitical risks and fluctuation of financial and capital markets which started with the sharp fall in the yen temporarily marking over ¥160 per dollar on the Tokyo foreign exchange market.

In the department store industry, net sales of department stores in the Tokyo district significantly exceeded the results in the previous year, thanks to the stable trend of consumption mainly by wealthy individuals and continuing strong duty-free sales from foreign tourists visiting Japan.

Under these circumstances, the Group has set a “MISSION” to “create a place that makes all stakeholders happy by lighting a torch of hope for future” under the “Medium-term Management Plan ‘For Sustainable Growth’ (FY2022-2024)” in order to realize its ideal state in future and promoted establishment of a new foundation for growth to achieve the MISSION and returning to a trajectory for growth.

As a result, net sales for the fiscal year under review increased year on year by ¥6,868 million or 16.7% to ¥48,120 million, total net sales, the equivalent to net sales before application of the “Accounting Standard for Revenue Recognition,” etc., increased year on year by ¥22,200 million or 19.3% to ¥137,184 million, operating income increased year on year by ¥1,510 million or 50.8% to ¥4,485 million, ordinary income increased year on year by ¥1,525 million or 51.9% to ¥4,464 million, and profit attributable to owners of parent decreased year on year by ¥247 million or 9.4% to ¥2,383 million.

The operating results by segment are as follows.

<Department Stores Business>

At the Ginza Store in the Department Stores Business, which is the main business of the Company, we worked under various measures of the medium-term management plan to enhance product line-ups suitable for a department store operating in Ginza and improve profitability by enhancing offering of cosmetic products, luxury brand products, jewelry watches, etc. In addition, in the out-of-store sales business, especially in the Individual Out-of-store Sales Department, we continued organizational reinforcement, increased the number of staff members, and introduced talent who are ready to contribute. Moreover, in various sales activities, we focused on expanding and deepening the customer base of potential Matsuya fans by enhancing our alignment with customers through strengthening of CRM (customer relationship management), etc. These initiatives became examples of realizing the Company’s ideal state, which is to “create a place we can be happy through new product strategies and business models” without being trapped by various external factors such as fluctuating exchange rates and geopolitical risks.

Furthermore, net sales of the Ginza Store significantly exceeded that of the previous fiscal year due to a strong boost on the entire store from purchases by foreign tourists visiting Japan from a wide variety of countries, as duty-free sales at Ginza Store reached a record high in July with record depreciation of the yen and other factors in the background, and the number of foreign tourists visiting Japan reached a record high in FY2024. For FY2025, the number of foreign tourists visiting Japan is expected to exceed 40 million and the amount of their consumption is expected to reach ¥8.5 trillion. Under these circumstances, the Ginza Store started a new initiative that integrates real stores and digital technologies through MATSUYA GINZA.com Co., Ltd., a consolidated subsidiary of the Company, in November. The initiative enables customers to reserve products in advance and receive the reserved products speedily at the store. In addition, the collaboration with “matsuyaginza.com,” the first omnichannel platform of a department store in Japan with a duty-free purchase functionality, not only increased convenience for foreign tourists visiting Japan but also greatly contributed to

acquisition of new customers in Japan and the promotion of customer management through IDs. As “Ginza,” one of the major commercial areas in the world, is bustling with both domestic and foreign visitors, we worked to further improve customer satisfaction and sales through various measures including the collaboration with the platform, which can mitigate crowdedness at the store while increasing opportunities for customer services and provide highly sensitive products and shopping experience with the same quality as real stores.

At the Asakusa Store, we strove to improve performance by working to generate synergistic effects with EKIMISE, one of the tenant commercial facilities, to enhance promotional activities to capture demand of customers who shop within the facility, and by collaborating with local traditional stores in Asakusa to strengthen active proposals of products and hospitality to customers.

As a result, net sales of the Department Stores Business increased year on year by ¥5,653 million or 16.5% to ¥39,997 million and operating income increased year on year by ¥1,304 million or 45.2% to ¥4,189 million.

<Restaurants Business>

At A Table Matsuya Co., Ltd. in the Restaurants Business, the Bridal and Banquet Division worked for the acquisition of marrying couples and improving unit prices of wedding receptions. As a result, sales increased mainly at the flagship salon “Tokyo Daijingu Matsuya Salon,” and sales from banquets also significantly increased. Accordingly, both net sales and operating income exceeded those of the previous fiscal year.

As a result, net sales of the Restaurants Business increased year on year by ¥173 million or 5.4% to ¥3,415 million and operating income increased year on year by ¥84 million to ¥27 million.

<Total Building Maintenance and Advertising Business>

At CBK CO., LTD. in the Total Building Maintenance and Advertising Business, both net sales and operating income exceeded those in the previous fiscal year, due mainly to the recording of large external projects in the Interior Construction Division.

As a result, net sales of the Total Building Maintenance and Advertising Business increased year on year by ¥1,021 million or 22.8% to ¥5,501 million and operating income increased year on year by ¥113 million to ¥102 million.

(2) Overview of Financial Position for the Fiscal Year under Review

As for the financial position as of the end of the fiscal year under review, the total assets amounted to ¥76,107 million, increasing by ¥7,233 million from the end of the previous fiscal year. Main factors in the increase in assets included an increase of ¥2,533 million in land and an increase of ¥2,529 million in other current assets. The total liabilities amounted to ¥46,907 million, increasing by ¥4,849 million from the end of the previous fiscal year. Main factors of the increase in liabilities included an increase of ¥3,741 million in loans payable. The total net assets amounted to ¥29,200 million, increasing by ¥2,383 million from the end of the previous fiscal year. Main factors in the increase in net assets include an increase of ¥1,825 million in retained earnings.

(3) Overview of Cash Flows for the Fiscal Year under Review

“Cash flows from operating activities” resulted in a net inflow of ¥3,066 million, mainly due to profit before income taxes of ¥3,779 million, depreciation of ¥1,473 million, and a change in consumption taxes receivable of ¥2,333 million.

“Cash flows from investing activities” resulted in a net outflow of ¥5,531 million, mainly due to purchase of property, plant and equipment of ¥4,252 million and payments for acquisition of businesses of ¥900 million.

“Cash flows from financing activities” resulted in a net inflow of ¥3,129 million, mainly due to proceeds from long-term loans payable of ¥4,300 million, net increase/decrease in short-term loans payable of ¥1,999 million, repayments of long-term loans payable of ¥2,557 million, and dividends paid of ¥556 million.

As a result, cash and cash equivalents at the end of the fiscal year under review totaled ¥3,861 million, increasing by ¥665 million from the previous fiscal year.

(4) Future Outlook

As for the economic environment surrounding the Group, there is an expectation of a moderate economic recovery, as the measures to accelerate the economy are in progress under the Comprehensive Economic Measures of the current government and there are other supportive factors such as the significant wage raise for the first time in the past 30 years in Japan. However, the economic environment will not allow optimism, given that the phase of global changes in the economy, such as concerns over the consumer mind due to supply shortages and price hikes resulting from geopolitical risks, is expected to continue for the time being.

Under these circumstances, the Group launched a new management plan named “Management Plan Aiming to Be the ‘Global Destination’” (hereinafter referred to as the “Plan”). Under the Plan, the Group has abolished traditional medium-term management plans for three years, aiming to achieve growth by responding to the era of significant changes with a long-term perspective covering years until FY2050, while steadily achieving single-year targets.

As a milestone until FY2050, the Group has set two phases for the period up to FY2030. In the first phase from FY2025 to FY2027, the Group will strengthen collaboration with MATSUYA GINZA.com Co., Ltd. to promote omnichannel strategies. By doing so, the Group aims to provide increased convenience and impressive experience to both domestic and foreign customers. At the same time, the Group will invest in stores, systems, real estate, and human resources to strengthen its business foundation. In the second phase from FY2028 to FY2030, the Group aims for sustainable growth based on the foundation to be established in the first phase, by maximizing the effect of the investments that will have been made by then.

The Company will work toward achieving targets, aiming to be a company that creates unique social value as urban-type and community-based department stores in Ginza and Asakusa and as local department stores in Tokyo, while pursuing economic value at the same time.

A Table Matsuya Co., Ltd. in the Restaurants Business will carefully review management of profitability at each business location to promote selection and concentration of management resources and generate profit on a stable basis.

CBK CO., LTD. in the Total Building Maintenance and Advertising Business will work towards expansion of external sales by strengthening its design ability and creativeness, always looking at improved satisfaction of customers and users who are behind the clients and strengthening sales ability by leveraging the synergy within the Matsuya Group.

(5) Basic Policy on Distribution of Profit and Dividends for the Fiscal Year under Review and the Next Fiscal Year

Regarding distribution of profit, the Company considers the dividend policy to be an important policy and sets a basic policy to pay dividends on a stable basis by striving to strengthen the foundation of the management structure that can ensure steady profit. For this purpose, the Company will work toward profit return to shareholders by steadily implementing various measures under the management plan to ensure growth of business and strengthen the management foundation, while comprehensively considering the changing management environment and status of profit.

By comprehensively considering the financial position and other factors, the Company determined to pay dividends of ¥12 per share for the fiscal year ended February 28, 2025. For the fiscal year ending February 28, 2026, the Company plans to pay an interim dividend of ¥6 per share and a year-end dividend of ¥6 per share, which will bring the annual dividend per share to ¥12.

2. Basic Policy on Selection of Accounting Standards

The Group has adopted the Japanese GAAP. Regarding adoption of the International Financial Reporting Standards (IFRS), the Group will take appropriate measures while considering various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	3,246	3,911
Notes and accounts receivable - trade	7,397	7,192
Inventories	(*) 1,762	(*) 2,132
Other	2,788	5,317
Allowance for doubtful accounts	(12)	(2)
Total current assets	15,181	18,551
Non-current assets		
Property, plant and equipment		
Buildings and structures	(*) 40,252	(*) 41,137
Accumulated depreciation	(30,669)	(31,088)
Buildings and structures, net	9,582	10,049
Land	(*) 22,387	(*) 24,921
Construction in progress	67	3
Other	2,700	2,780
Accumulated depreciation	(2,387)	(2,481)
Other, net	313	298
Total property, plant and equipment	32,350	35,271
Intangible assets		
Leasehold interests in land	9,484	9,484
Software	657	810
Goodwill	—	735
Other	271	17
Total intangible assets	10,413	11,047
Investments and other assets		
Investment securities	(*) 8,948	(*) 9,233
Long-term loans receivable	0	—
Deferred tax assets	137	136
Guarantee deposits	1,484	1,510
Other	368	431
Allowance for doubtful accounts	(9)	(75)
Total investments and other assets	10,928	11,237
Total non-current assets	53,692	57,556
Total assets	68,874	76,107

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,528	11,434
Short-term loans payable	(*) 10,427	(*) 11,805
Lease liabilities	47	19
Accounts payable - other	1,082	852
Income taxes payable	461	1,404
Contract liabilities	2,734	2,916
Gift certificates	785	778
Provision for bonuses	145	187
Provision for loss on collection of gift certificates	412	417
Provision for dismantling costs of non-current assets	60	—
Other	1,896	2,268
Total current liabilities	29,583	32,085
Non-current liabilities		
Long-term loans payable	(*) 7,615	(*) 9,978
Lease liabilities	35	16
Deferred tax liabilities	2,163	1,988
Provision for environmental measures	18	18
Provision for costs related to re-development	206	196
Provision for loss on store closings	—	341
Retirement benefit liability	390	169
Asset retirement obligations	493	508
Guarantee deposits received	1,459	1,512
Other	91	90
Total non-current liabilities	12,474	14,821
Total liabilities	42,057	46,907
Net assets		
Shareholders' equity		
Capital stock	7,132	7,132
Capital surplus	5,411	5,411
Retained earnings	9,795	11,620
Treasury shares	(297)	(298)
Total shareholders' equity	22,041	23,866
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,942	4,203
Remeasurements of defined benefit plans	(29)	192
Total accumulated other comprehensive income	3,912	4,396
Non-controlling interests	863	937
Total net assets	26,816	29,200
Total liabilities and net assets	68,874	76,107

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

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Net sales	41,251	48,120
Cost of sales	19,534	22,149
Gross profit	21,717	25,971
Selling, general and administrative expenses		
Remuneration, salaries and allowances for directors (and other officers)	5,280	5,793
Advertising expenses	849	838
Bonuses	885	1,142
Provision for bonuses	138	174
Retirement benefit expenses	174	115
Depreciation	1,336	1,398
Rent expenses	1,888	2,603
Commission expenses	1,905	2,217
Other	6,284	7,201
Total selling, general and administrative expenses	18,742	21,485
Operating income	2,974	4,485
Non-operating income		
Interest income	0	1
Dividend income	128	176
Gain on adjustment of accounts payable	109	93
Sponsorship money income	24	94
Share of profit of entities accounted for using equity method	19	—
Subsidy income	4	—
Other	51	56
Total non-operating income	337	423
Non-operating expenses		
Interest expenses	183	228
Provision for loss on collection of gift certificates	114	90
Share of loss of entities accounted for using equity method	—	37
Other	74	87
Total non-operating expenses	372	443
Ordinary income	2,938	4,464
Extraordinary income		
Gain on sale of investment securities	—	18
Total extraordinary income	—	18
Extraordinary losses		
Loss on retirement of non-current assets	39	203
Impairment losses	(*) 16	(*) 69
Provision for costs related to re-development	—	(*) 89
Provision for loss on store closings	—	(*) 341
Total extraordinary losses	56	703

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Profit before income taxes	2,882	3,779
Income taxes - current	481	1,557
Income taxes - deferred	(311)	(243)
Total income taxes	169	1,313
Profit	2,712	2,465
Profit attributable to non-controlling interests	81	81
Profit attributable to owners of parent	2,631	2,383

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Profit	2,712	2,465
Other comprehensive income		
Valuation difference on available-for-sale securities	1,345	261
Remeasurements of defined benefit plans, net of tax	178	222
Total other comprehensive income	1,523	483
Comprehensive income	4,236	2,949
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,155	2,867
Comprehensive income attributable to non-controlling interests	81	81

(3) Consolidated Statements of Changes in Equity

Fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,132	5,411	7,429	(297)	19,675
Changes during period					
Dividends of surplus			(265)		(265)
Profit attributable to owners of parent			2,631		2,631
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,365	(0)	2,365
Balance at end of period	7,132	5,411	9,795	(297)	22,041

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,597	(208)	2,388	785	22,849
Changes during period					
Dividends of surplus					(265)
Profit attributable to owners of parent					2,631
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	1,345	178	1,523	78	1,602
Total changes during period	1,345	178	1,523	78	3,967
Balance at end of period	3,942	(29)	3,912	863	26,816

Fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,132	5,411	9,795	(297)	22,041
Changes during period					
Dividends of surplus			(557)		(557)
Profit attributable to owners of parent			2,383		2,383
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,825	(0)	1,825
Balance at end of period	7,132	5,411	11,620	(298)	23,866

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,942	(29)	3,912	863	26,816
Changes during period					
Dividends of surplus					(557)
Profit attributable to owners of parent					2,383
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	261	222	483	74	557
Total changes during period	261	222	483	74	2,383
Balance at end of period	4,203	192	4,396	937	29,200

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	2,882	3,779
Depreciation	1,413	1,473
Amortization of goodwill	—	165
Increase (decrease) in allowance for doubtful accounts	(8)	55
Increase (decrease) in provision for bonuses	(2)	41
Increase (decrease) in retirement benefit liability	15	4
Increase (decrease) in provision for loss on collection of gift certificates	24	5
Increase (decrease) in provision for environmental measures	(17)	—
Increase (decrease) in provision for loss on store closings	—	341
Interest and dividend income	(128)	(178)
Interest expenses	183	228
Share of loss (profit) of entities accounted for using equity method	(19)	37
Loss on retirement of non-current assets	39	203
Impairment losses	16	69
Loss (gain) on sale of investment securities	—	(18)
Subsidy income	(4)	—
Decrease (increase) in trade receivables	(1,654)	205
Decrease (increase) in inventories	(223)	(369)
Increase (decrease) in trade payables	1,860	(94)
Increase (decrease) in accounts payable - other	539	(183)
Increase (decrease) in gift certificates	(22)	(6)
Decrease (increase) in consumption taxes refund receivable	(1,794)	(2,333)
Other	(145)	403
Subtotal	2,953	3,828
Interest and dividends received	128	183
Interest paid	(185)	(221)
Subsidies received	4	—
Income taxes refund (paid)	(600)	(723)
Net cash provided by (used in) operating activities	2,300	3,066

(Millions of yen)

	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,977)	(4,252)
Purchase of intangible assets	(689)	(261)
Payments for acquisition of businesses	—	(900)
Purchase of investment securities	(5)	(2)
Proceeds from sale of investment securities	4	21
Purchase of shares of affiliates	(685)	—
Net decrease (increase) in guarantee deposits	(541)	(44)
Other	(129)	(90)
Net cash provided by (used in) investing activities	(4,024)	(5,531)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	—	1,999
Proceeds from long-term loans payable	—	4,300
Repayments of long-term loans payable	(1,020)	(2,557)
Dividends paid	(264)	(556)
Purchase of treasury shares	(0)	(0)
Other	(53)	(55)
Net cash provided by (used in) financing activities	(1,338)	3,129
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	(3,062)	665
Cash and cash equivalents at beginning of period	6,259	3,196
Cash and cash equivalents at end of period	3,196	3,861

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting estimates)

(Provision for costs related to re-development)

In the fiscal year ended February 28, 2022, the Company recorded provision for costs related to re-development in order to prepare for expenditures to be incurred in relation to the re-development of GINZA CORE Building, which is owned by GINZA CORE Co., Ltd., an equity method affiliate of the Company, the Company, and others. However, after re-estimating the dismantling costs for the fiscal year under review, it was expected that the costs would be higher than the initially expected amount. Accordingly, the Company revised the estimated amount of provision for costs related to re-development.

As a result of this revision, an additional provision for costs related to re-development of ¥89 million was recorded in extraordinary losses and profit before income taxes for the fiscal year under review was reduced by the same amount.

(Notes to Consolidated Balance Sheets)

*1 Breakdown of inventories (Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Merchandise	1,721	2,067
Raw materials and supplies	28	32
Costs on construction contracts in progress	5	16
Costs on service contracts in progress	6	16

*2 Assets pledged as collateral

1) Assets pledged as collateral (Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Buildings and structures	1,699	1,747
Land	7,275	7,275

2) Liabilities corresponding to the above (Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Short-term loans payable	10,160	10,862
Long-term loans payable	7,615	9,978

*3 Investments in affiliates are as follows. (Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Investment securities (shares)	1,112	1,070

(Notes to Consolidated Statements of Income)

*1 Impairment losses

The Group recorded impairment losses on the following groups of assets.

For the fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(1) Overview of the groups of assets for which impairment losses were recognized

Usage	Type	Impairment loss (Millions of yen)	Location
Stores, etc.	Equipment, etc.	16	Nagoya-shi, Aichi

(2) Background that led to recognition of the impairment loss

For groups of assets which are continuing to generate operating losses, the carrying amount is reduced to the recoverable amount and the reduction is recorded as an impairment loss.

(3) Method for grouping assets

The Group mainly groups its assets by store, which is the smallest unit that generates cash flows.

(4) Method for calculating the recoverable amount

The recoverable amount of the groups of assets is measured in value in use, and calculated with the value in use of zero.

For the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(1) Overview of the groups of assets for which impairment losses were recognized

Usage	Type	Impairment loss (Millions of yen)	Location
Stores, etc.	Buildings, etc.	69	Yokohama-shi, Kanagawa, etc.

(2) Background that led to recognition of the impairment loss

For groups of assets which are continuing to generate operating losses, the carrying amount is reduced to the recoverable amount and the reduction is recorded as an impairment loss.

(3) Method for grouping assets

The Group mainly groups its assets by store, which is the smallest unit that generates cash flows.

(4) Method for calculating the recoverable amount

The recoverable amount of the groups of assets is measured in value in use, and calculated with the value in use of zero.

*2 Provision for costs related to re-development

In order to prepare for future expenditures related to re-development, an amount expected to be incurred in future was recorded in extraordinary losses as provision for costs related to re-development in the fiscal year under review.

*3 Provision for loss on store closings

In order to prepare for future expenditures related to store closings, an amount expected to be incurred in future was recorded in extraordinary losses as provision for loss on store closings in the fiscal year under review.

(Notes to Consolidated Statements of Changes in Equity)

For the fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

1. Matters related to issued shares

Class of shares	Number of shares as of March 1, 2023	Increase	Decrease	Number of shares as of February 29, 2024
Common shares (Thousand shares)	53,289	—	—	53,289

2. Matters related to treasury shares

Class of shares	Number of shares as of March 1, 2023	Increase	Decrease	Number of shares as of February 29, 2024
Common shares (Thousand shares)	233	0	—	233

(Note) The increase of 0 thousand shares in treasury shares is an increase of 0 thousand shares due to gratis acquisition of restricted shares and an increase of 0 thousand shares due to purchase of less-than-one-unit shares.

3. Matters related to share acquisition rights, etc.

Not applicable.

4. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Source of dividends	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 13, 2023	Common shares	Retained earnings	132	2.5	February 28, 2023	May 10, 2023
Board of Directors meeting held on October 12, 2023	Common shares	Retained earnings	132	2.5	August 31, 2023	November 17, 2023

(2) Dividends whose record date is in the current fiscal year but whose effective date is in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 11, 2024	Common shares	Retained earnings	397	7.5	February 29, 2024	May 8, 2024

For the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

1. Matters related to issued shares

Class of shares	Number of shares as of March 1, 2024	Increase	Decrease	Number of shares as of February 28, 2025
Common shares (Thousand shares)	53,289	—	—	53,289

2. Matters related to treasury shares

Class of shares	Number of shares as of March 1, 2024	Increase	Decrease	Number of shares as of February 28, 2025
Common shares (Thousand shares)	233	0	—	234

(Note) The increase of 0 thousand shares in treasury shares is an increase of 0 thousand shares due to purchase of less-than-one-unit shares.

3. Matters related to share acquisition rights, etc.

Not applicable.

4. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Source of dividends	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 11, 2024	Common shares	Retained earnings	397	7.5	February 29, 2024	May 8, 2024
Board of Directors meeting held on October 10, 2024	Common shares	Retained earnings	158	3.0	August 31, 2024	November 18, 2024

(2) Dividends whose record date is in the current fiscal year but whose effective date is in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 14, 2025	Common shares	Retained earnings	476	9.0	February 28, 2025	May 14, 2025

(Notes on business combinations)

(Business combination through acquisition)

MATSUYA GINZA.com Co., Ltd., a consolidated subsidiary of the Company, acquired a business related to e-commerce transferred from K.K. B4F.

1. Overview of the business combination

(1) Name of the acquired company and details of the business

1) Name of the acquired company: K.K. B4F

2) Details of the acquired business: Operation of the MILLEPORTE (milleporte.com), an e-commerce website

(2) Main reason for the business combination

The Company operates a department store business, with the Ginza Store as the core of the business. The Company started offering an innovative omnichannel service, which has not been realized in Japan due to barriers such as old commercial practices and delay in digital transformation, in order to respond to diversifying customer needs and increase in sales from rapidly recovering inbound business, by taking these challenges also as opportunities for further growth.

Through the acquisition of the business from K.K. B4F by MATSUYA GINZA.com Co., Ltd., we will enhance the digital talent of the Group both qualitatively and quantitatively to promote digital transformation of department stores, and create customer experiences with overwhelming usability and hospitality unique to a department store operating in Ginza under the lead of MATSUYA GINZA.com Co., Ltd.

The service is a new challenge for the Company to maximize utilization of the tangible and intangible assets it has developed for many years. The Company believes that success in this business will not only provide benefits to its customers in Japan but also contribute to further expansion of the inbound business, which is a strength of the Company.

(3) Date of the business combinations

April 25, 2024

(4) Legal form of the business combination

Acquisition of a business with cash consideration

(5) Company's name after the business combination

Unchanged

(6) Main reason for selecting the acquired company

Acquisition of a business with cash consideration

2. Period for which the financial results of the acquired company are included in the Consolidated Statements of Income for the fiscal year under review

From April 25, 2024 to February 28, 2025

3. Acquisition cost of the acquired business and breakdown by type of consideration

Consideration for acquisition	Cash	¥900 million
Acquisition cost		¥900 million

In addition to the above, an agreement on contingent consideration has been made with K.K. B4F. In the future, additional consideration of the amount up to ¥900 million in total calculated by excluding certain business risks may be incurred in the specified two business years.

4. Difference between the acquisition cost of the acquired business and the total of the acquisition costs of individual transactions that led to the acquisition

Not applicable.

5. Amount, reason for generation, and method and period of amortization of goodwill

(1) Amount of goodwill

¥900 million

(2) Reason for generation of goodwill

The goodwill was generated for excess earnings power in the future expected for future business activities.

(3) Method and period of amortization of goodwill

The goodwill will be amortized in equal amounts over the period during which the effect of the investment is found.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are the Group's components for which separate financial information can be obtained and which are subject to periodic reviews by the Board of Directors for deciding the allocation of management resources and other purposes.

The Group is structured around the department store business and has the "Department Stores Business," the "Restaurants Business," and the "Total Building Maintenance and Advertising Business" as the reportable segments, which are aggregated based on the economic characteristics, services, and other characteristics.

The "Department Stores Business" is engaged in the department store business and mail order business, as well as the associated manufacturing and processing, exporting and importing, wholesale, and e-commerce businesses. The "Restaurants Business" is engaged in the restaurant business and business management of wedding halls. The "Total Building Maintenance and Advertising Business" is engaged in security services, cleaning, facility maintenance and construction, interior construction, decoration, advertising, etc.

From the fiscal year under review, part of the financial results previously recorded in "other" is recorded in the "Department Stores Business," as a result of the partial revision of the segments for financial result management within the Group.

Segment information for the fiscal year ended February 29, 2024 is not prepared based on the segmentation after the change, since the change has an immaterial impact on segment profit.

2. Calculation methods for the amounts of net sales, profit (loss), assets, and other items by reportable segment

The accounting method for the reported business segments is generally the same as the method used in the preparation of the consolidated financial statements.

Profit figures for reportable segments are based on operating income. Inter-segment net sales and transfers are based on prevailing market prices.

3. Information on the amounts of net sales, profit (loss), assets, and other items by reportable segment
For the fiscal year ended February 29, 2024 (from March 1, 2023 to February 29, 2024)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income (Note 3)
	Department Stores Business	Restaurants Business	Total Building Maintenance and Advertising Business	Total				
Net sales								
Revenue from contracts with customers	33,754	3,235	2,118	39,108	809	39,918	—	39,918
Other revenues (Note 4)	577	—	—	577	755	1,332	—	1,332
Net sales to outside customers	34,331	3,235	2,118	39,686	1,565	41,251	—	41,251
Inter-segment net sales or transfers	12	5	2,361	2,380	1,177	3,557	(3,557)	—
Total	34,344	3,241	4,480	42,066	2,742	44,809	(3,557)	41,251
Segment profit (loss)	2,884	(56)	(10)	2,817	205	3,022	(48)	2,974
Segment assets	59,563	1,089	1,281	61,933	5,876	67,810	1,063	68,874
Other items								
Depreciation (Note 5)	1,372	14	22	1,409	27	1,437	(24)	1,413
Impairment losses	—	16	—	16	—	16	—	16
Increase in property, plant and equipment and intangible assets (Note 5)	2,516	21	8	2,547	121	2,668	(19)	2,648

(Notes) 1. The “other” segment includes the business segments that are not included in the reportable segments, including delivery of consumables and supplies for office and business use, operation of character goods shops, import goods sales, intermediary for sale of goods, product inspection business, and real estate leasing business.

2. Amounts of adjustments are as follows.

(1) The adjustment of negative ¥48 million for segment profit (loss) includes elimination of inter-segment transactions.

(2) The adjustment of ¥1,063 million for segment assets is unallocated corporate assets. Major corporate assets are part of long-term investment funds (investment securities), etc. at the parent company.

(3) The adjustment of negative ¥24 million for depreciation is elimination of unrealized inter-segment profit.

(4) The adjustment of negative ¥19 million for increase in property, plant and equipment and intangible assets is unrealized inter-segment profit.

3. Segment profit (loss) is adjusted with operating income in the Consolidated Statements of Income.

4. Other revenues include real estate lease revenue included in the scope of the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, March 30, 2007).

5. Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses.

For the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Consolidated Statements of Income (Note 3)
	Department Stores Business	Restaurants Business	Total Building Maintenance and Advertising Business	Total				
Net sales								
Revenue from contracts with customers	39,388	3,404	2,714	45,507	1,228	46,736	—	46,736
Other revenues (Note 4)	596	—	—	596	787	1,383	—	1,383
Net sales to outside customers	39,984	3,404	2,714	46,103	2,016	48,120	—	48,120
Inter-segment net sales or transfers	13	11	2,787	2,811	1,197	4,009	(4,009)	—
Total	39,997	3,415	5,501	48,914	3,214	52,129	(4,009)	48,120
Segment profit	4,189	27	102	4,319	238	4,558	(73)	4,485
Segment assets	66,421	1,225	1,511	69,158	6,067	75,226	881	76,107
Other items								
Depreciation (Note 5)	1,425	17	14	1,458	40	1,498	(24)	1,473
Goodwill amortization	165	—	—	165	—	165	—	165
Impairment losses	—	—	—	—	69	69	—	69
Increase in property, plant and equipment and intangible assets (Note 5)	5,373	23	6	5,403	36	5,440	(40)	5,399

(Notes) 1. The “other” segment includes the business segments that are not included in the reportable segments, including delivery of consumables and supplies for office and business use, operation of character goods shops, import goods sales, intermediary for sale of goods, product inspection business, and real estate leasing business.

2. Amounts of adjustments are as follows.

(1) The adjustment of negative ¥73 million for segment profit includes elimination of inter-segment transactions.

(2) The adjustment of ¥881 million for segment assets is unallocated corporate assets.

Major corporate assets are part of long-term investment funds (investment securities), etc. at the parent company.

(3) The adjustment of negative ¥24 million for depreciation is elimination of unrealized inter-segment profit.

(4) The adjustment of negative ¥40 million for increase in property, plant and equipment and intangible assets is unrealized inter-segment profit.

3. Segment profit is adjusted with operating income in the Consolidated Statements of Income.

4. Other revenues include real estate lease revenue included in the scope of the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, March 30, 2007).

5. Depreciation and increase in property, plant and equipment and intangible assets include long-term prepaid expenses.

4. Information on impairment losses on non-current assets and goodwill by reportable segment
(Significant changes in the amount of goodwill)

In the “Department Stores Business” segment, goodwill was newly generated as MATSUYA GINZA.com Co., Ltd., a consolidated subsidiary of the Company, has acquired a business transferred from K.K. B4F.

The increase in the amount of goodwill due to this event is ¥735 million for fiscal year ended February 28, 2025.

(Per share information)

For the fiscal year ended February 29, 2024		For the fiscal year ended February 28, 2025	
Net assets per share	¥489.17	Net assets per share	¥532.71
Basic earnings per share	¥49.59	Basic earnings per share	¥44.93
Diluted earnings per share	¥—	Diluted earnings per share	¥—
Diluted earnings per share is not presented since there were no residual shares.		The same as the left	

(Note) The basis for the calculation

1. Net assets per share

Item	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Total amount of net assets in the Consolidated Balance Sheets (Millions of yen)	26,816	29,200
Amount of net assets relating to common shares (Millions of yen)	25,953	28,263
Major component of the difference (Millions of yen) Non-controlling interests	863	937
Number of common shares outstanding (Thousand shares)	53,289	53,289
Number of common shares that are treasury shares (Thousand shares)	233	234
Number of common shares used in the calculation of net assets per share (Thousand shares)	53,055	53,055

2. Basic earnings per share and diluted earnings per share

Item	For the fiscal year ended February 29, 2024	For the fiscal year ended February 28, 2025
Profit attributable to owners of parent (Millions of yen)	2,631	2,383
Profit attributable to owners of parent relating to common shares (Millions of yen)	2,631	2,383
Amount not attributable to holders of common shares (Millions of yen)	—	—
Average number of common shares outstanding during the period (Thousand shares)	53,055	53,055
Adjustment for profit (Millions of yen)	—	—
Increase in number of common shares (Thousand shares)	—	—
Overview of residual shares not included in the calculation of diluted earnings per share due to their non-dilutive effect	—	

(Significant subsequent events)

Not applicable.