



August 23, 2019

Company : Takashimaya Co., Ltd.

Representative : Yoshio Murata, President

Code : 8233 (TSE First Section)

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Takashimaya to Cancel Liquidation of Subsidiary in China

At a board meeting held on August 23, 2019, Takashimaya's Board of Directors decided to cancel the company's plan to liquidate its China-based subsidiary, Shanghai Takashimaya Co., Ltd., as announced in the press release titled "Takashimaya to Liquidate Subsidiary in China" dated June 25, 2019.

Background

At a board meeting held on June 25, 2019, the Board of Directors decided to liquidate Shanghai Takashimaya Co., Ltd., pending approval by the subsidiary's shareholders, who were due to vote on the move on August 25, 2019. The board took this decision after judging that the subsidiary was financially unviable in view of tough competition within the industry coupled with delays and changes in development projects for adjacent commercial facilities. However, the board subsequently decided to cancel the liquidation following a marked improvement in the subsidiary's financial sustainability, which was thanks to assistance from the landlord as well as the support of Shanghai's Changning District. Accordingly, Shanghai Takashimaya will continue to operate beyond August 25, the initially scheduled date for closing business.

Profile of Shanghai Takashimaya (accurate as of August 23, 2019)

Name	Shanghai Takashimaya Co., Ltd.	
Address	1438 Hongqiao Road, Changning Qu, Shanghai, PRC	
Representative	Tomoaki Komori (Managing Director)	
Business	Department store	
Capital	610,000,000 CNY	
Date founded	February 24, 2009	
Share ownership	Takashimaya Singapore Ltd. 53% Takashimaya Company, Limited 33% Toshin Development Co., Ltd. 14%	
Relationship with Takashimaya	Capital	Takashimaya holds 33 percent of Shanghai Takashimaya's stock
	Human resources	A senior managing director, consultant, and executive officer of Takashimaya each serve concurrently as managing director of Shanghai Takashimaya
	Transactions	Shanghai Takashimaya pays Takashimaya for permission to use trademarks and for business guidance services, borrows working capital from Takashimaya.
	Is Takashimaya Shanghai a "related party" (as defined in Japanese law)?	Being a consolidated subsidiary of Takashimaya, Shanghai Takashimaya does constitute a related party of Takashimaya

Implications for Takashimaya

Takashimaya was expecting the dissolution and liquidation to entail losses of 2 to 3 billion JPY. With the cancelation of the dissolution and liquidation, however, Takashimaya's consolidated results for FY February 2020 will be only minimally affected.