

February 28, 2025

Takashimaya Company, Limited

Investment in ICJ No. 1 Fund of Search Funds, a search fund investment instrument

Helping SMEs succeed and regain growth

Takashimaya Company, Limited (head office: Chuo-ku, Osaka; President and Representative Director: Yoshio Murata; hereinafter “Takashimaya”) hereby announces that it has decided to invest in the ICJ No. 1 Fund of Search Funds Investment Limited Partnership (hereinafter, “the Fund”), a search fund investment instrument established by Inclusion Japan Inc. (hereinafter “ICJ”), which manages venture capital funds, and that Takashimaya has concluded an investment agreement with ICJ for this purpose.

A search fund is a vehicle for investing in outstanding next-generation management candidates (searchers) who seek to help small and medium-sized enterprises (SMEs) succeed and regain growth. Originating in the United States in the 1980s, hundreds of search funds have been established worldwide and have generated high investment returns. Leveraging the networking with searchers and support know-how that ICJ has cultivated over the years, the Fund invests in searchers seeking privately held SMEs to acquire, manage, and grow, and then makes additional investments once a searcher has acquired an SME.

Based on its management philosophy of “Putting People First,” the Takashimaya Group contributes to society by valuing the spirit of believing in people, loving people, and serving people. Furthermore, our corporate message “New Yet Unchanging” expresses our desire to create new value by flexibly responding to the changing times while preserving the traditional techniques, culture, and solid value we have cultivated over the years.

Through our investment in the Fund, the Takashimaya Group aims to address the problem of business succession, which has become an urgent problem in Japanese society, while at the same time achieving business growth by building partnerships that further enhance our attractive merchandise and Group content.

A portion of the investment in the Fund will be allocated from ESG contributions generated through the ESG purchase of treasury shares.

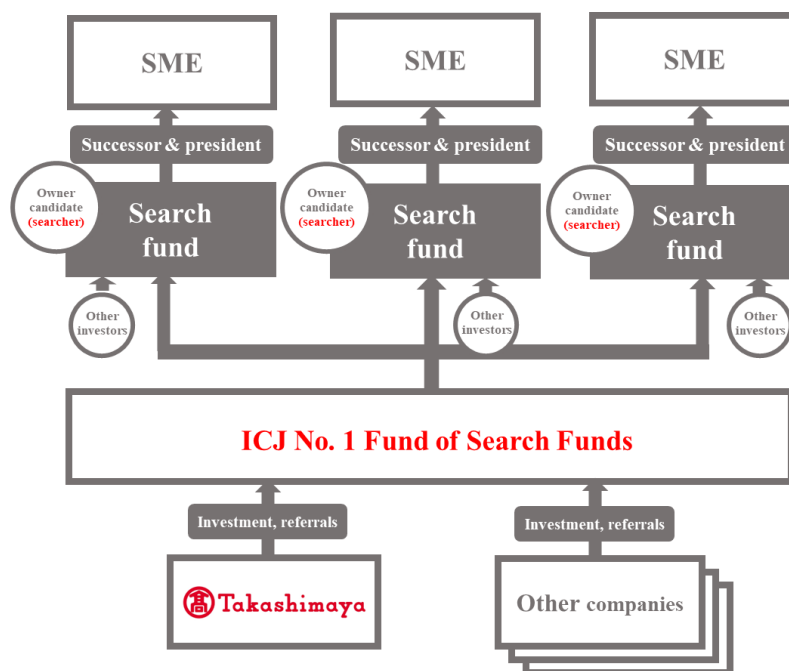
Please see “Notice Concerning the Adoption of the ESG Purchase of Treasury Shares” released on October 31, 2024 for more details.

Takashimaya website:

<https://www.takashimaya.co.jp/file/241031b.pdf>

■ What is the ICJ No. 1 Fund of Search Funds?

The ICJ No. 1 Fund of Search Funds is a fund that invests in multiple search funds, which are vehicles for investing in outstanding next-generation management candidates (searchers) who seek to help small and medium-sized enterprises (SMEs) succeed and regain growth. Profits from the Fund are returned to its investors. This new investment instrument, in which a venture capital company and an operating company are investing in search funds, is the first of its kind in Japan. Through the ICJ No. 1 Fund of Search Funds, Takashimaya will invest in search funds and make business partner referrals, thereby helping to resolve the problem of the lack of successors facing Japan's SMEs.



■ Benefits of search funds for SMEs

For SME owners struggling to find a successor, search funds bring value beyond just being an M&A vehicle. Their biggest benefit is that the searchers themselves, who will take over the business, take the initiative in selecting and acquiring companies while negotiating directly with the owners. This enables owners to achieve face-to-face business succession and remain true to their company's philosophy and culture while pursuing long-term growth. Search funds also make it possible to leverage a network of supporters with extensive management experience to develop and execute a growth strategy. This enables not just the transfer of ownership of the business but also its sustainable development. Search funds are a particularly effective option for companies that wish to strengthen their competitiveness and stabilize their operating platform over the long term.

■ First project – Japan Relay Partners LLC

The Fund's first project will be an investment in Japan Relay Partners LLC, established by Yasushi Kobayashi. While working at Toyota Tsusho Corporation, Mr. Kobayashi established the company's first local subsidiary in Cuba and, as its first CEO, was involved in new business development for the central government. He then earned an MBA from IESE Business School in Spain. While at business school, he gained more international business experience, including serving as the first Japanese president of the Search Fund Club.