



October 13, 2023

For Immediate Release

Company name	Takashimaya Company, Limited
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Notice Concerning Termination of Operations at the Store of a Consolidated Subsidiary and the  
Dissolution of Said Company

Takashimaya Company, Limited hereby announces that, at the Board of Directors meeting convened on October 13, 2023, a resolution was passed to terminate operations at Takashimaya Gifu (hereinafter, Gifu Store) and dissolve Gifu Takashimaya Company, Limited (hereinafter, Gifu Takashimaya), the consolidated subsidiary that operated the Gifu Store.

Details

1. Background leading to termination of operations and dissolution

Since its opening in September 1977, the Gifu Store has long been a favored destination for people in the region. In 2005, the Gifu Store conducted a large-scale renovation to expand floor space. Committed to fulfilling its role as a department store rooted in the community, in 2018, the store entered into a Comprehensive Partnership Agreement aimed at working with the prefecture, city, and chamber of commerce on community revitalization. As part of this Agreement, the store engaged in various initiatives such as promoting sales of locally produced goods.

Nearly 46 years had passed since the opening of the Gifu Store. Today, location requires large-scale facility upgrades for the entire property, including electricity, water and plumbing, and air conditioning. As the Gifu Store is operated out of a leased property, over an extended period of time we have made requests to the landlord, Heiwa Building Corporation and its parent company, Gifu Land Development Corporation, to conduct facility upgrades in accordance with the lease agreement. However, we were unable to reach an agreement. Due to the advancing deterioration of various facilities, there is also the possibility of not being able to guarantee a safe environment for our customers, a cornerstone of our operations.

In 2004, the Gifu Store branched off to become Gifu Takashimaya in order to pursue fundamental improvements to its profit structure. Since then, in addition to pursuing cost reductions, including continuously reevaluating operations, the company also implemented various management reforms towards improving its profit structure. However, amid an operating environment of low birth rates and population aging, conditions influencing the Gifu Store have become increasingly difficult each year and profits are on a downward trend. In light of such conditions, even if the Company to conduct the expensive facility upgrades that, in reality, should have been conducted at the expense of the landlord, this would not change the severe performance outlook for the Gifu Store.

As such, the Company has reached the decision to terminate operations at the Gifu Store on August 31, 2024 and dissolve Gifu Takashimaya on August 31, 2024.

2. Overview of Gifu Takashimaya Company, Limited

(1)	Location	2-25 Hinodemachi, Gifu-shi, Gifu Prefecture	
(2)	Representative title/name	Itsuro Hashimoto, Representative Director and President	
(3)	Business segment	Department store	
(4)	Capital	50 million yen	
(5)	Established	August 28, 1974	
(6)	Major shareholder and ratio	Takashimaya Company, Limited 100%	
(7)	Relationships with listed company	Capital relationship	Wholly-owned subsidiary of Takashimaya Company, Limited

	Personnel relationship	Eight persons, including the representative director, seconded from the Takashimaya Company, Limited	
	Transactional relationship	Subleasing of store from Takashimaya Company, Limited, and other transactions.	
	Status as an affiliate	Consolidated subsidiary of Takashimaya Company, Limited	
(8) Operating results and financial status for most recent three years			
Fiscal year	2/2021	2/2022	2/2023
Net assets	1,861 million yen	2,028 million yen	1,996 million yen
Total assets	6,778 million yen	6,654 million yen	6,490 million yen
Net assets per share	1,861 thousand yen	2,028 thousand yen	1,996 thousand yen
Operating revenue	11,446 million yen	12,783 million yen	*6,191 million yen (13,157 million yen)
Operating profit	95 million yen	216 million yen	88 million yen
Ordinary profit	115 million yen	256 million yen	93 million yen
Profit (loss)	344 million yen	166 million yen	-31 million yen
Earnings per share (loss per share)	344 thousand yen	166 thousand yen	-31 thousand yen

\*As of 2/2023, we apply the Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) 29, March 31, 2020). ( ) indicates figures calculated based on the previous standard.

### 3. Takashimaya Gifu Store overview

Opened	September 23, 1977
Building	11 floors, 1 sublevel floor
Sales space	26,117 m <sup>2</sup>
No. of employees	177 (As of end of August 2023)

### 4. Business termination and dissolution schedule

Planned termination of business: Wednesday, July 31, 2024

Planned dissolution: Saturday, August 31, 2024

### 5. Projected amount losses incidental to dissolution and future forecast

As a result, the Company recorded impairment losses of 855 million yen as extraordinary losses for the consolidated second quarter under review. Furthermore, the Company is currently examining whether or not there is any additional impact.