

Overview of the TAKIHYO group

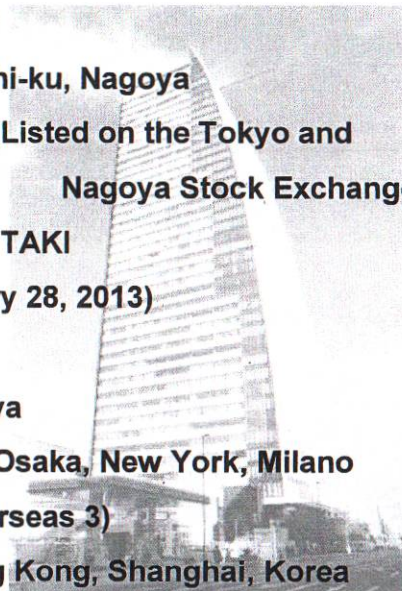
January 17, 2014

<http://www.takihyo.co.jp>

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TAKIHYO Co., Ltd.

- Corporate Name TAKIHYO Co., Ltd.
- Date of Foundation May 1751
- Head Office Lucent Tower 24F
6-1, Ushijima, Nishi-ku, Nagoya
- Capital 3,622 million yen (Listed on the Tokyo and
Nagoya Stock Exchange)
- Representative C.E.O. Mr. Kazuo TAKI
- Number of Employees 613 (as of February 28, 2013)
- Account Closing Month end of February
- Business Office Head Office/Nagoya
Branches/Tokyo, Osaka, New York, Milano
- Consolidated Subsidiaries 8 (Japan 5, Overseas 3)
Overseas: Hong Kong, Shanghai, Korea



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TAKIHYO group~5 companies in Japan~

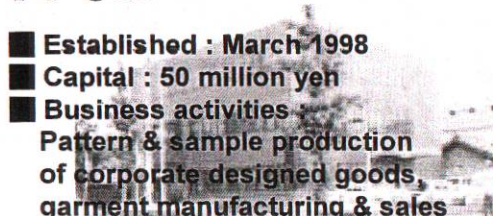
T·L·C CO., LTD.

- Established : February 1982
- Capital : 200 million yen
- Business activities : Sales of synthetic resin materials and products; restaurant business



T·F·C CO., LTD.

- Established : March 1998
- Capital : 50 million yen
- Business activities : Pattern & sample production of corporate designed goods, garment manufacturing & sales of Ladies', children's & baby wear, design, production and sales of uniforms.



Takihyo Operation Plaza CO., LTD.

- Established : March 1967
- Capital : 40 million yen
- Business activities : Storage, handling the entering & dispatching of corporate products.



T·T·C CO., LTD.

- Established : February 1987
- Capital : 287 million yen
- Business activities : Equipment lease to group companies, management of rental properties

Max & Growing Co., Ltd.

- Established : October 19
- Capital : 160 million yen
- Business activities : Design and sales of the golf wear brand "Zoy".



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TAKIHYO group ~3 overseas companies & 2 branches ~

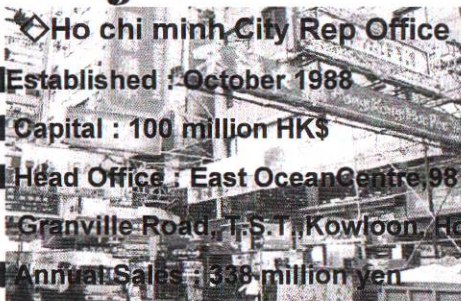
Takihyo (SHANGHAI) CO., LTD.

- ◆ QINGDAO Branch
- Established : June 2008
- Capital : 50 million yen
- Head Office : RM1101, 11F International Trade Center, 2201 Yanan Rd(W), Shanghai, China
- Annual Sales : 515 million yen



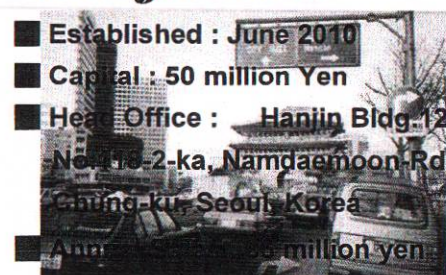
Takihyo (H.K.) CO., LTD.

- ◆ Ho chi minh City Rep Office
- Established : October 1988
- Capital : 100 million HK\$
- Head Office : East Ocean Centre, 98 Granville Road, T.S.T, Kowloon, HongKong
- Annual Sales : 338 million yen



Takihyo Korea CO., LTD.

- Established : June 2010
- Capital : 50 million Yen
- Head Office : Haniin Bldg. 203, No. 418-2-ka, Namdaemoon-Rd, Chung-Ku, Seoul, Korea
- Annual Sales : 50 million yen



Takihyo CO., LTD. New York Branch Office

- Established : November 2010

Takihyo CO., LTD. Milano Liaison Office

- Established : October 5, 2011

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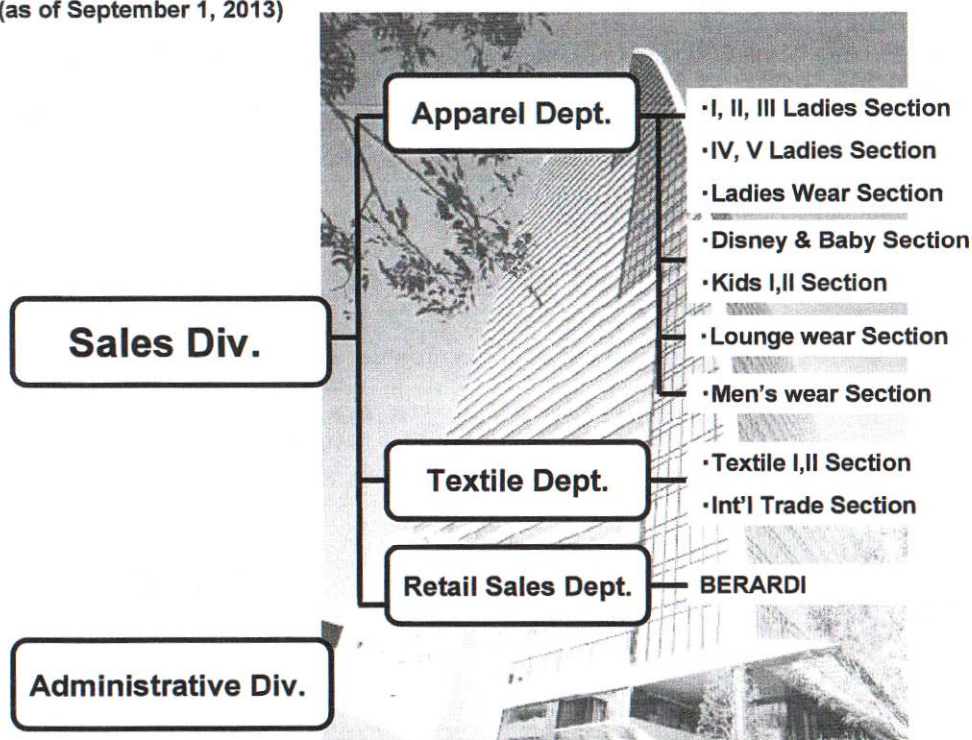
Characteristics of the TAKIHYO group

- As a trading company specializing in textiles, we deal in a wide range of products from fabrics to finished goods as well as retail sales of better zone products.
- Our finished goods cater to babies, children, ladies (young, career, missy) and men of all ages. We also cover loungewear and interior products.
- Our sales structure is ODM, where our system enables us to provide customers full set of service from planning to design, production and delivery.
- We take pride in our business history of over 260 years since the company's establishment in 1751 and over 1,500 clients acquired through our credibility supported by a strong financial foundation.

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Organization of TAKIHYO

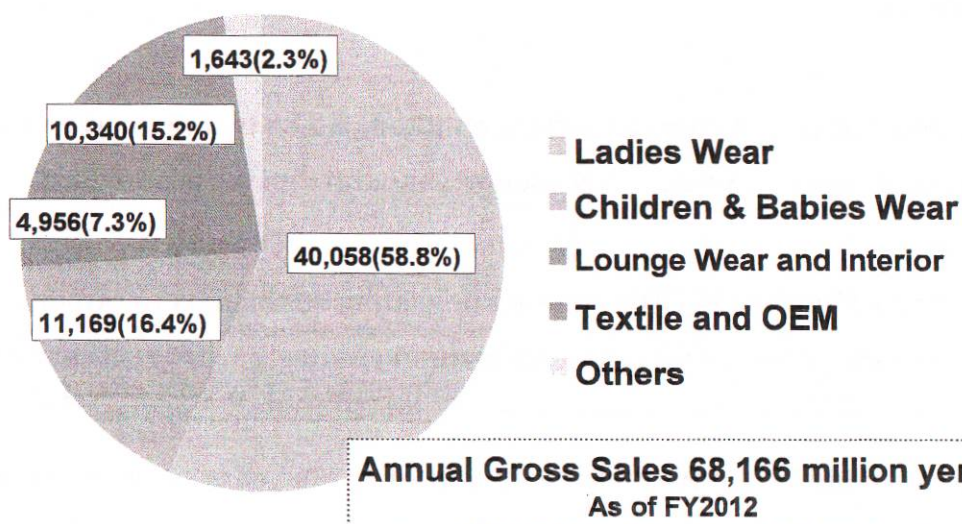
(as of September 1, 2013)



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Principal business activities and Sales by product (Non-consolidated)

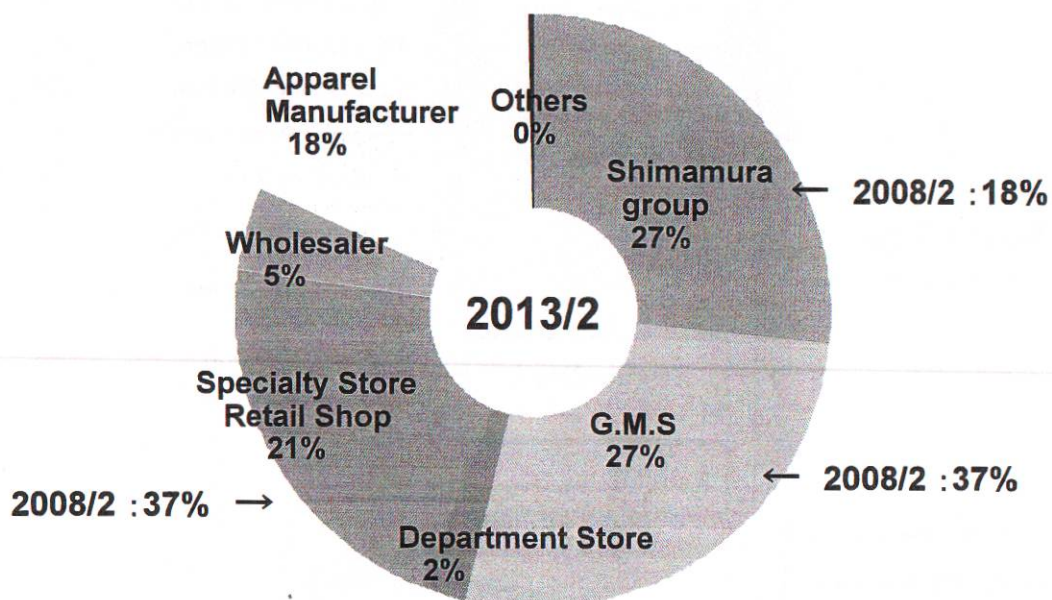
- Sales Amount for FY2012 by product (unit : million yen)



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Sales by Channel (Non-consolidated)

Specialty Store : 50% , G.M.S. : 30% , Apparel Manufacturer : 20%
(Including Shimamura Group)



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Top 10 Companies in Our Sales

Unit: million yen

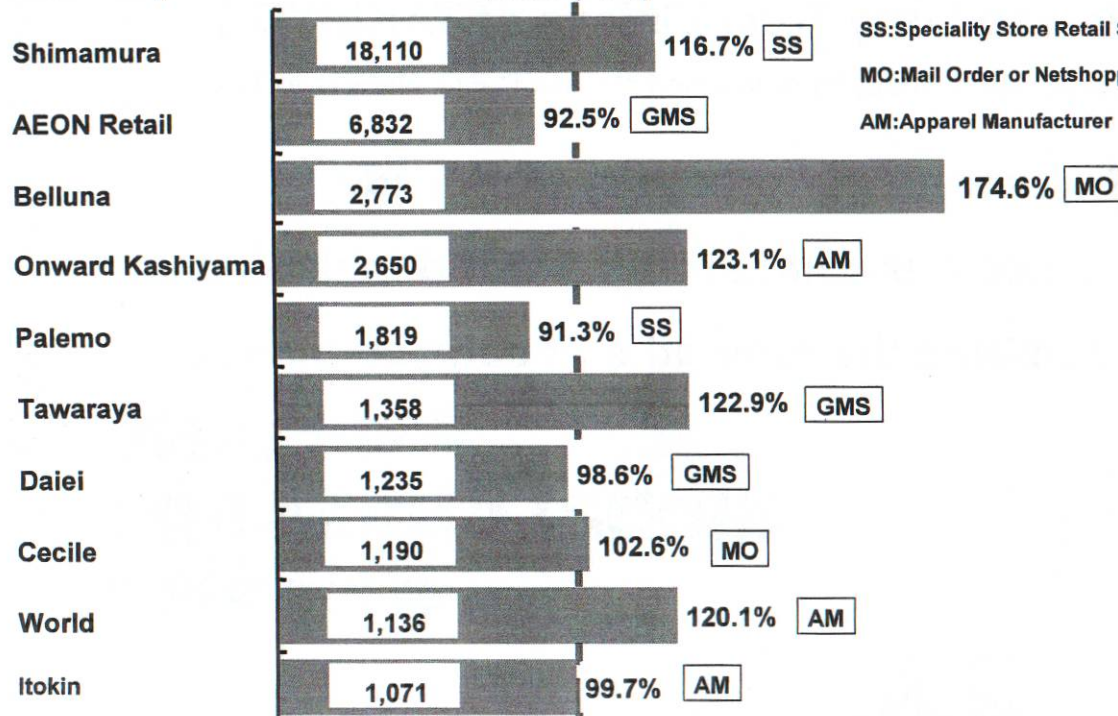
2012/2(=100)

GMS:General Merchandising store

SS:Speciality Store Retail Shop

MO:Mail Order or Netshopping

AM:Apparel Manufacturer



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Sales Ranking in Japan

■The TAKIHYO group is ranked in every area as one of the top trading companies in Japan

(By sales channel)

GMS Sales

1. Cross Plus
2. TAKIHYO
3. Koizumi Group
4. Lovely Queen
5. Junior

Specialty &
Retail shop Sales

1. Sunrally Group
2. TAKIHYO
3. Cross Plus
4. Proroute Marumitsu
5. F&A Aqua HD

(By sales product)

Textile Sales

1. Takisada-Osaka
2. Takisada-Nagoya
3. TAKIHYO
4. Toko Shoji
5. Toyoshima

Children &
Babies wear sales

1. Five Foxes (RS)
2. Miki House (RS)
3. Narumiya International (RS)
4. Familiar (RS)
5. F.O.International (RS)
6. World (RS)
7. TAKIHYO (RS)

Ladies wear sales

1. World (RS)
2. Onward HD (RS)
3. Sanei International (RS)
4. Itokin (RS)
5. Five Foxes (RS)
6. Cross Plus (WS)
7. Sanyo Shokai (RS)
8. JUN (RS)
9. Flandre (RS)
10. TAKIHYO (WS)

RS : Retail sales
WS : Whole sales

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Global Challenge ~Innovation & Advancement~

[Mid and Long Term Visions of TAKIHYO]

~ Corporate philosophy Advocated by New C.E.O. Mr. Kazuo Taki ~

1. To expand our products worldwide
2. To see our company as a world in itself and combine the strengths of each employee.

全球性挑战
Global Challenge
Defi Mondial
글로벌 챌린지



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Global Challenge ~Innovation & Advancement~

Expand overseas Business

~ Develop business opportunities
in Europe, USA and Asia ~

Brush up of ODM business

~ To turn our specialty
into an unparalleled strength ~

Active Developments of New Clients

~ Develop new clients who would
become main client in the future ~

Facilitate Logistics Efficiency

~ Reorganization of our local
distribution center and
increase of logistics productivity ~

Incorporate Business Expected to Grow

~ M&A, a possibility.
synergy with our principle business ~

Establish production facilities in China and other Asian countries

~ Avoid risk of centralizing
production in China ~

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Production background of the TAKIHYO group

[Current]

China : 85%, Annual sales : 36,000 millions yen,
Annual production : Over 50 millions pcs

[Future]



Expand production facility to Southeast Asia

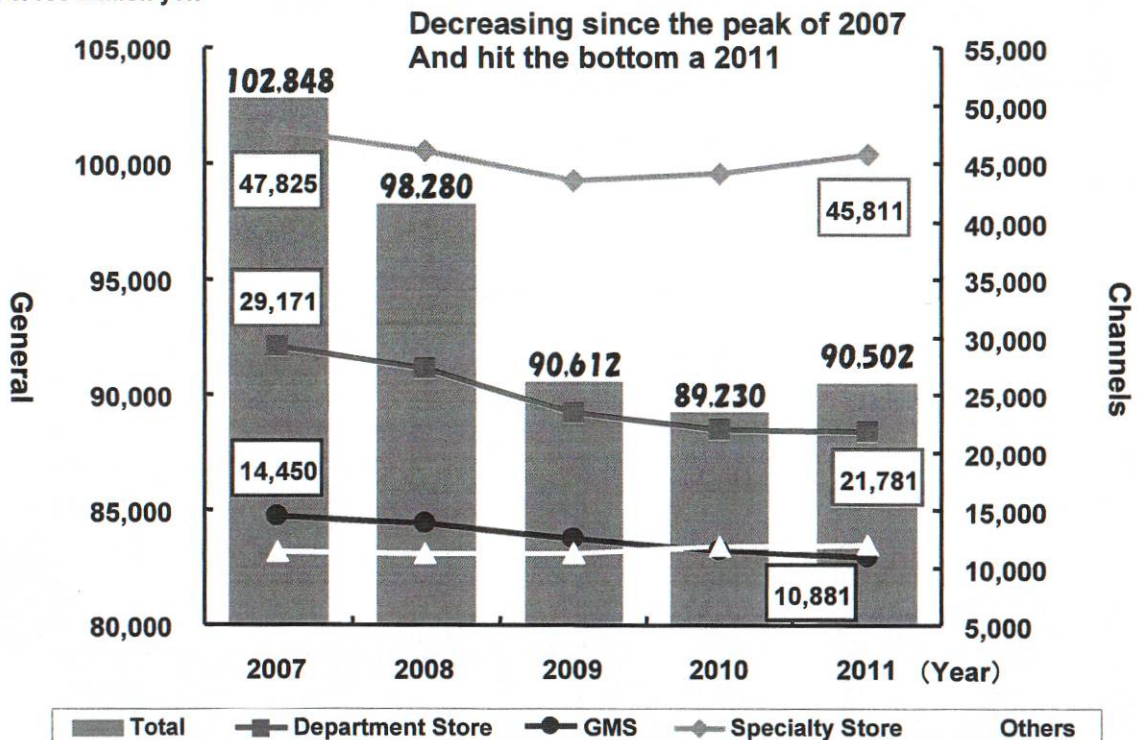
<Actual implementation >

Vietnam	Myanmar	Bangladesh	Indonesia	Cambodia
Cut & sewn Annual Plan of 50 K pcs Plan to produce suits as well	Outer, Bottoms Annual Plan of 20 K pcs	Knit Annual Plan of 10 K pcs	Cut & sewn Annual Plan of 10 K pcs	Cut & sewn Annual Plan of 20 K pcs

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Japanese Apparel Retail Market Scale

Unit: 100 million yen

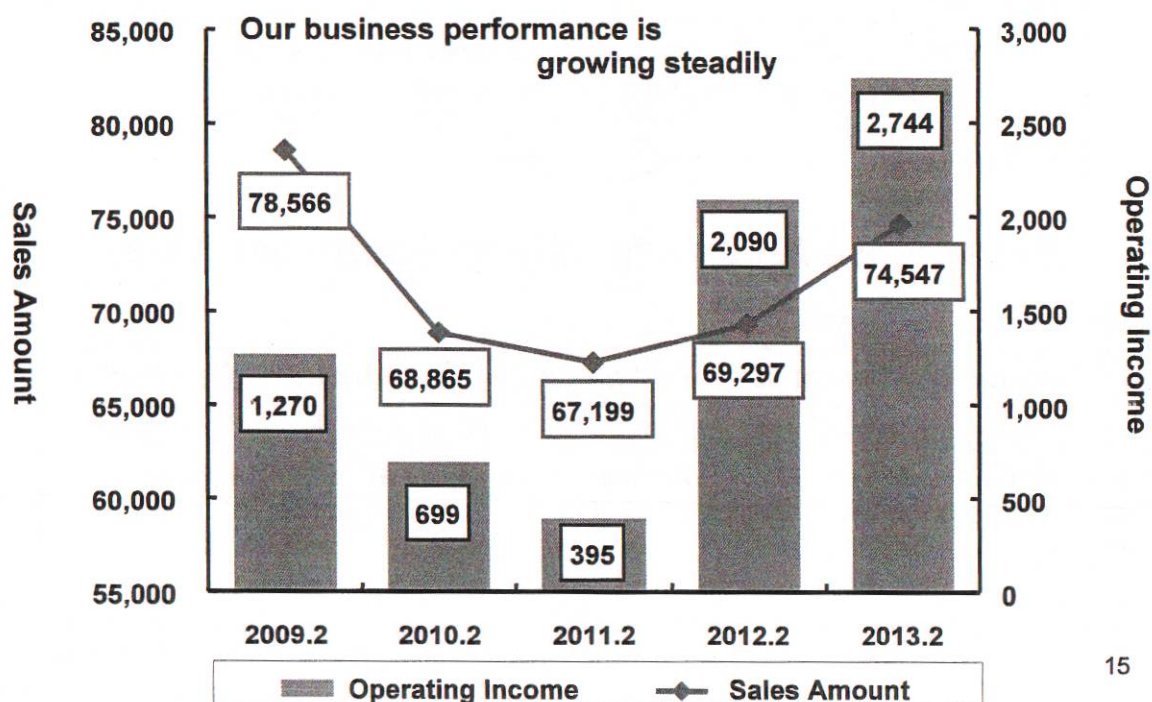


Operating Results of the past 5 years

(Consolidation basis)

Unit: 100 million yen

Unit: 100 million yen



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Efficiency of logistics (Establishment of a new logistics center)

Started operation of the 2nd Logistic Center

Total floor area 9,240m²

TOP Shipment Growth
 FY2010 → FY2013 (forecast)
 39.9 million pcs. → 48.5 million pcs.
 ↑ 121.6%



1st Logistic Center

Started operation on January 2010

Total floor area 42,900m²

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Acquisition of all the shares of MAX & GROWING Co., Ltd. ~Golf wear brand "ZOY"~

- Acquired all the shares of the company.
- Strengthen retail business
- Strengthen branding and planning abilities



Head office : 1-7-1, Shinbashi , Minato-ku, Tokyo
Capital : 160 million yen
Business activities : Design and sales of ladies and men's golf wear and accessory goods
Sales : 890 millions yen (End of Feb 2013)
Operating income : 14 million yen
Sales facilities : 22 shops (Direct shop 6, Franchise 2, Department store 14)

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New business "Komeda Coffee Shop"

- Started restaurant business

~ Not limited to textile-related business, we will continue challenging people's daily life-related business ~

- Joined "Komeda Coffee Shop" franchisee (one of Japanese big player in restaurant business)

- Opened First Shop on March 14th 2012 in the Lucent Tower (Our Head Office is located in the same building)

- Opened Second Shop on June 21st 2013 in downtown of Tokyo

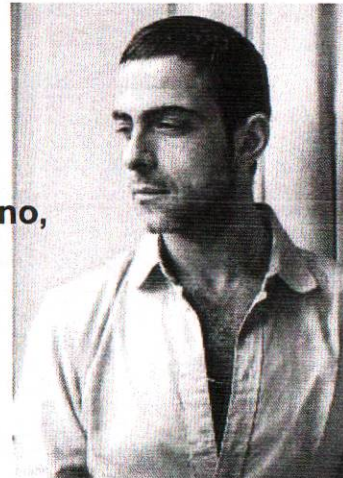
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Launching of the New brand

- Launched a new ready to wear brand “Berardi” by collaborating with the Italian designer, Mr. Antonio Berardi
- Launch 30 shops in Japan from 2013 S/S

<Profile of Mr. Antonio Berardi >

- Born in 1968 in London
- After working as an assistant of John Galliano, he studied fashion at Central Saint Martins College of Art and Design
- Established Antonio Berardi company in 1994 and debuted in London collection

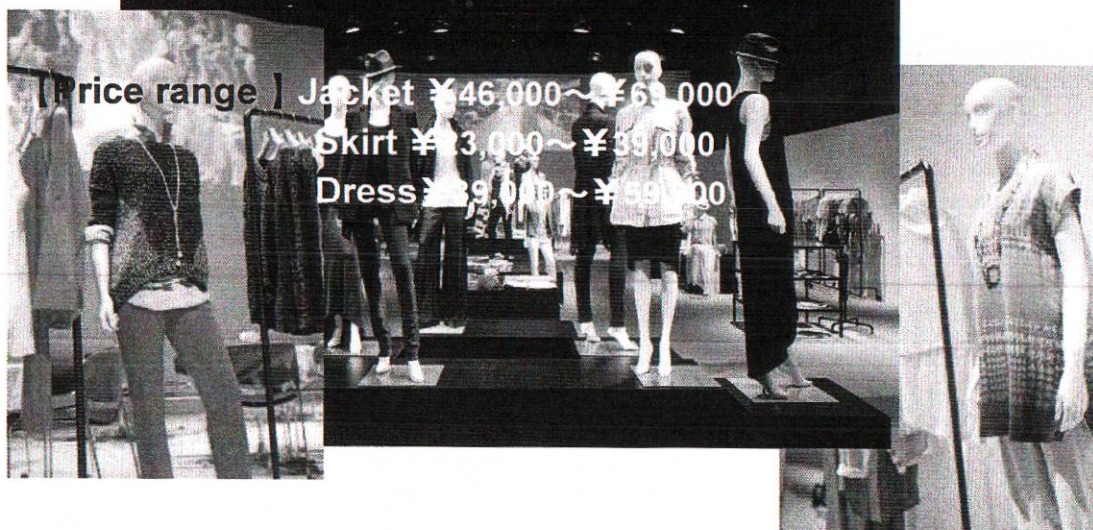


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Launching of the New brand(2)

■ About “Berardi”

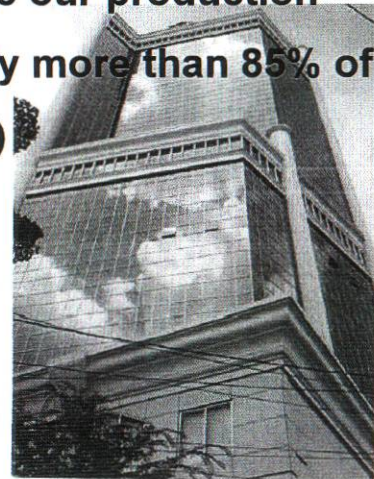
[Target] women in their 40s who have esthetic and high sense of beauty for fashion



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Open the new Rep-Office in Ho Chi Minh City

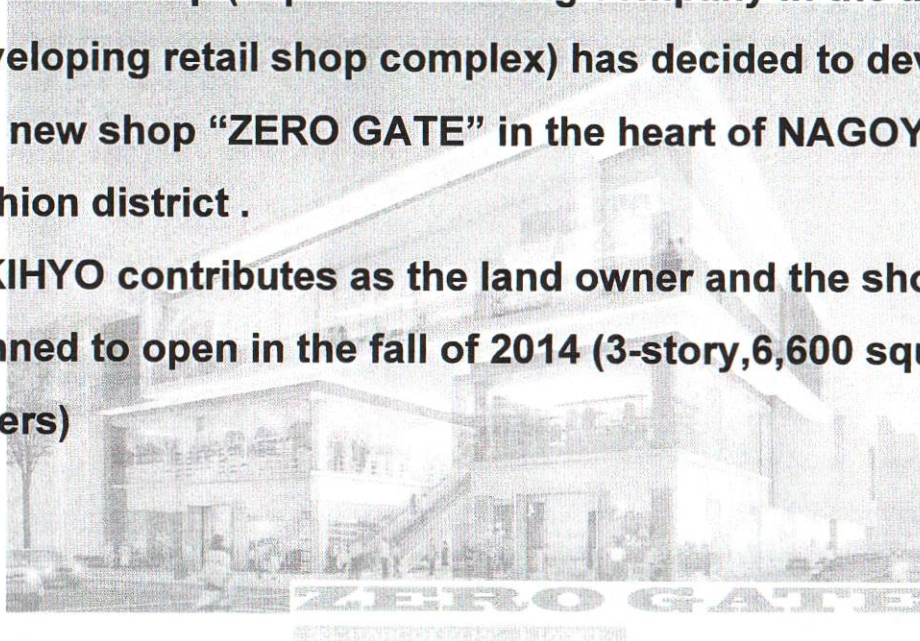
- The mission of the office is to develop sewing manufacturers in Cambodia & Vietnam
- An important step in order to migrate our production bases to ASEAN countries (Currently more than 85% of our products are produced in China)



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Contribute to new retail development

- PARCO Group (Japanese leading company in the area of developing retail shop complex) has decided to develop the new shop “ZERO GATE” in the heart of NAGOYA fashion district .
- TAKIHYO contributes as the land owner and the shop is planned to open in the fall of 2014 (3-story, 6,600 square meters)



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Forecast FY2013 of operating results(Consolidation basis)

Unit: 100 million yen

	FY2012 (compared to previous period)	FY2013 (Forecast)
Sales	74,547 (107.6%)	76,500
Operating Income	2,744 (131.3%)	2,750
Ordinary profit	2,875 (132.6%)	2,900
Net Income	1,444 (170.8%)	1,700