

March 16, 2016

Takashimaya Co., Ltd.

All Nippon Airways Trading Co., Ltd.

Hotel Shilla Co., Ltd.

**Notice concerning Agreement to Form a Joint Venture in order to Collaborate in an
City-type Duty-Free shop Business**

We hereby announce that Takashimaya Co., Ltd. (hereinafter referred to as ‘Takashimaya’; head office: Chuo-ku, Osaka; representative: Shigeru Kimoto), All Nippon Airways Trading Co., Ltd. (hereinafter referred to as ‘ANA Trading’; head office: Minato-ku, Tokyo; representative: Ken Nishimura), and Hotel Shilla Co., Ltd. (hereinafter referred to as ‘Hotel Shilla’; head office: Seoul, Republic of Korea; representative: Boojin Lee) have today reached an agreement on establishing a new joint venture company in order to collaborate in an city-type duty-free shop business.

1. Reason for forming joint venture

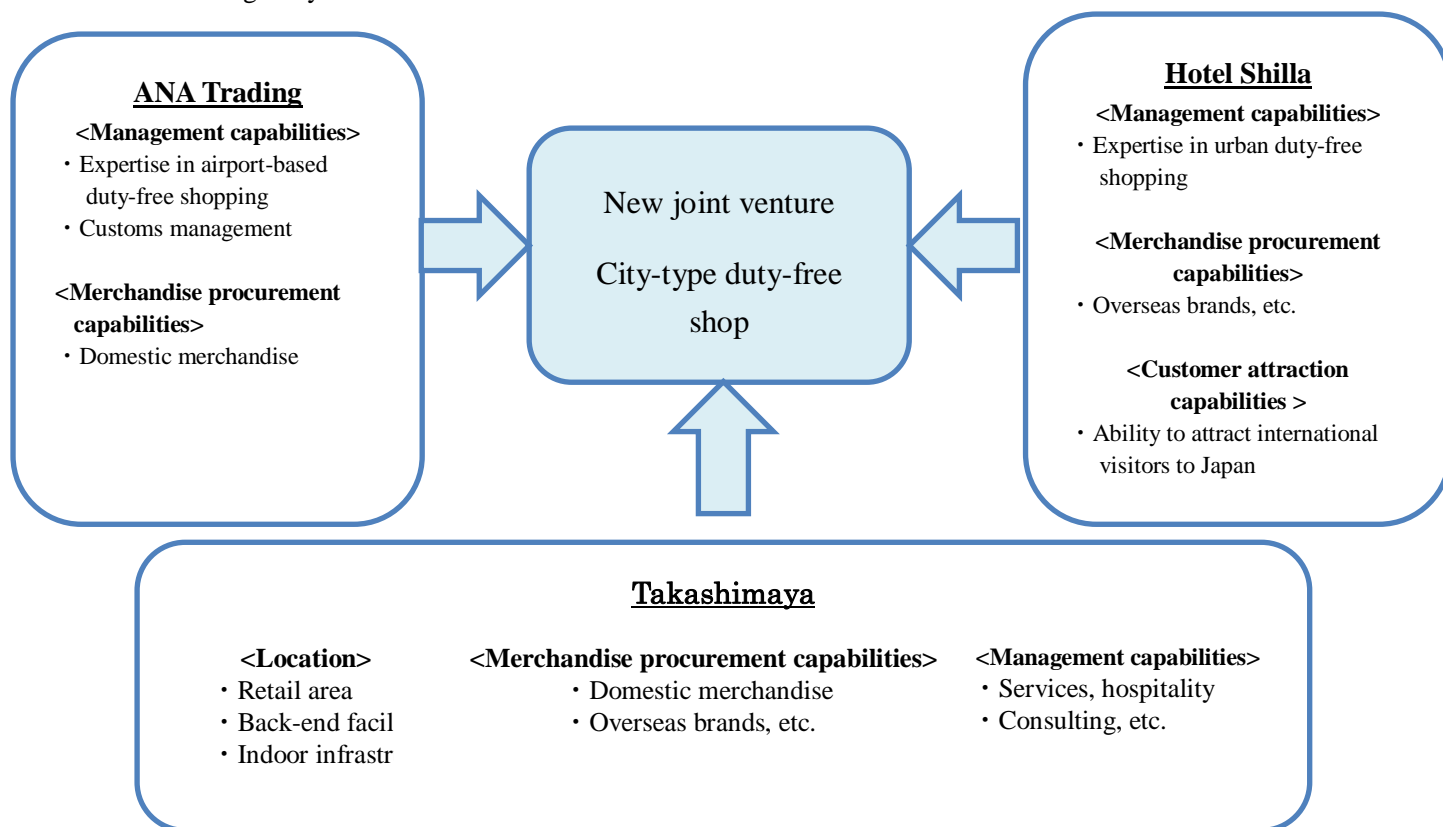
The number of international visitors to Japan has risen as a result of efforts to promote Japan as tourist destination. The number of international visitors in 2015 reached nearly 20 million, and in 2020, the year of the Tokyo Olympic and Paralympic Games, the number is expected to exceed 30 million.

Against this backdrop, we will expand Takashimaya, ANA Group’s ANA Trading, and Samsung Group’s Hotel Shilla business globally, and form a three-way joint venture with a view to stimulating further consumer demand among international visitors to Japan and establishing commercial facilities that enable more convenient shopping. This joint venture will pool the three parties’ accumulated expertise and corporate resources in order to open a city-type duty-free shop.

The new joint venture is designed to fully capitalise on the respective strengths of each partner. For example, Takashimaya will contribute its expertise in retail curation, and its ability to procure merchandise by leveraging the credit worthiness and financial clout it has built up over many long years in retail. ANA Trading will contribute its expertise in existing airport-based duty-free shopping, and Hotel Shilla will contribute its expertise in city-type duty-free shops in overseas countries such as South Korea, and its customer attraction power. Takashimaya will act as the managing entity in order to make the city-type duty-free shop an integral part of the department store, thereby creating a shopping experience that is more attractive than what our rivals offer.

We will open the first city-type duty-free shop next spring on the 11th floor of Takashimaya Shinjuku Store. Tokyo’s Shinjuku area is a very popular shopping spot for international visitors. In 2015, it had the largest share of duty-free sales in the department stores by area. The completion of the JR Shinjuku Station New South Gate will improve the convenience of public transportation, and we expect this will in turn lead to even greater numbers of international visitors.

We will also consider opening the second shop in the Osaka area, which is a major hub for inbound tourism following Tokyo.



2. Joint Venture Outline

Company name: Yet to be decided

Representative: Ryugo Nishimura, President and Representative Director (provisional)
(Current position: General Manager, Business Development Group, Sales Implementation Department, Takashimaya Co., Ltd.)

Address: Yet to be decided

Capital: 980 million yen (including capital reserve investment)

Investment ratios: Takashimaya 60%; ANA Trading 20%; Hotel Shilla 20%

Business outline: Operation of city-type duty-free shop business

3. Shop Outline

Shop name: Yet to be decided

Shop location: Floor 11, Takashimaya Shinjuku Store (approximately 2,800m²)

Opening date: Spring 2017 (scheduled)

Type of shop: City-type duty-free shop

Merchandise lines: The planned merchandise includes luxury brands, cosmetics, watches, jewellery, general goods, home electric appliances, liquor, cigarettes, etc.

Sales target for first year: 15 billion yen

4. Company Outlines

[Takashimaya Co., Ltd. Outline]

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| Company name | Takashimaya Company, Limited |
| Representative | Shigeru Kimoto (President and Representative Director) |
| Address | Head Office: 1-5, Namba 5-chome, Chuo-ku, Osaka |
| Incorporated | August 20, 1919 |
| Capital | 66,025,125,471 yen |
| Business outline | Department stores, corporate business, catalogue sales, group businesses |

[All Nippon Airways Trading Co., Ltd. Outline]

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| Company name | All Nippon Airways Trading Co., Ltd. |
| Representative | Ken Nishimura (CEO and President) |
| Address | 1-5-2, Higashi-shimbashi, Minato-ku, Tokyo |
| Incorporated | October 15, 1970 |
| Capital | 1 billion yen |
| Shareholders | ANA Holdings Inc. |
| Business outline | Aircraft parts procurement, aircraft import/export/leasing/sale services, planning and procurement of in-flight service products and merchandise, airport based businesses such as management of stores at airports throughout Japan, import and sale of paper, pulp and foods, import/export of semiconductor/electrical components, advertising agency business, management of online shopping site. |

[Hotel Shilla Co., Ltd. Outline]

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| Company name | Hotel Shilla Co., Ltd |
| Representative | Boojin Lee (President and CEO) |
| Address | 249, Dongho-ro, Jung-gu, Seoul, Republic of Korea |
| Incorporation | May 9, 1973 |
| Capital | 200 billion won |
| Shareholders | Samsung affiliated companies (Samsung Life Insurance, Samsung Electronics, Samsung Securities, Samsung Card, Samsung SDI), the National Pension Service of Korea, etc. |
| Business outline | Duty-free shopping business, hotel business, fitness facilities business. |

Reference: About city-type duty-free shop

In Japan, duty-free shops are exempt from the payment of not only consumption tax but also customs duties, liquor tax, and tobacco tax. International visitors, and even Japanese citizens who are going abroad, may purchase duty-free goods provided they present their passport and plane ticket at the shop. After completing the departure formalities, customers will be able to receive their purchased goods at a pickup counter established by the duty-free area concerned.

<Tax/duty exemptions in Japan>

| | Consumption tax | Customs duties | Liquor tax | Tobacco tax | Persons eligible |
|------------------------|------------------------|-----------------------|-------------------|--------------------|---|
| Duty-free shops | Exempt | Exempt | Exempt | Exempt | Temporary visitors Japanese nationals (or long-term residents of Japan) going abroad |
| Tax-free shops | Exempt | Not exempt | Not exempt | Not exempt | Temporary visitors Japanese nationals who live overseas |