



October 19 2022

To whom it may concern

Company name	Takihyo Co., Ltd.
Representative	Kazuo Taki, Representative Director, Chief Executive Officer (Code No. 9982, TSE/NSE 1st Section)
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Notice regarding transfer of fixed assets and expected recording of extraordinary profit at our consolidated subsidiary

Takihyo(H.K.)Co.,Ltd., a consolidated subsidiary of our company, has decided today to transfer fixed assets as follows. Takihyo hereby announces that it expects to record an extraordinary profit.

1. Reason for the transfer

Following the decision to close Takihyo(H.K.)Co.,Ltd., we will transfer fixed assets owned by the subsidiary in order to make effective use of the management resources of our group.

2. Description of the assets to be transferred

Description and location of the assets	Transfer price	Book value
Units 504 and 505 on the 5th floor of East Ocean Center, No. 98 Granville Road, T.S.T., Kowloon, Hong Kong. (Total floor area 155.33 square meters)	15 million HK\$ (276 million yen)	3 million HK\$ (67 million yen)

Note: Converted at the exchange rate of 18.45 yen/HK\$ at the end of -September 2022

3. Summary of the transferee

Name	Million Hope Development Limited
Location	Unit705-6,7th Floor, Kowloon Center,33 Ashley Road,T.S.T. Kowloon, Hong Kong.
Relationship with our Group	Between the transferee and our group, there is no capital relationship, personnel relationship, business relationship or other relationship that should be noted.

4. Summary of the consolidated subsidiary

Name	Takihyo(H.K.)Co.,Ltd.
Location	Hong Kong Special Administrative Region of the people's Republic of China
Business description	Apparel and textile-related businesses
Capital	10 million HK\$

5. Schedule

Board of Directors' Resolution of Takihyo(H.K.)Co.,Ltd.	19 October 2022
Conclusion of a contract	19 October 2022
Property delivery and ownership transfer (tentative)	28 February 2023

6. Future outlook

The capital gain from the fixed assets is expected to be approximately 200 million yen (less miscellaneous expenses) and will be recorded as an extraordinary profit in the fiscal year ending February 2024 (the following consolidated fiscal year).

The following consolidated fiscal year is from March 1 2023 to February 28 2024, but since the consolidated fiscal year of the consolidated subsidiary is from January 1 2023 to December 31 2023, the impact of this transfer (transfer date: February 28 2023) on consolidated profit and loss will be reflected in the following consolidated fiscal year.