

DFS GROUP REAFFIRMS PRESENCE IN WAIKIKI WITH PARTNER BLACKSAND CAPITAL

HONOLULU'S WAIKIKI GALLERIA TOWER LEASE EXTENDED FOR A FURTHER 18 YEARS



AUGUST 22, 2022, HONG KONG & HONOLULU – DFS Group, the world's leading luxury travel retailer, has reaffirmed its commitment to Waikiki by extending its lease at Waikiki Galleria Tower, owned by an affiliate of Hawai'i-based investment firm BlackSand Capital, for another 18 years. DFS will make significant capital investments into the store over the next few years, providing a reimagined luxury shopping experience and welcoming returning international travelers to Hawai'i.

DFS has been present in Hawai'i for more than 60 years, and on Kalakaua Avenue for more than 20 years. T Galleria by DFS, Hawai'i, is located in Waikiki Galleria Tower, in the heart of Waikiki's prestigious retail corridor. The store suspended operations in March 2020 due to the COVID-19 pandemic and plans to reopen in phases as renovations are completed.

DFS and BlackSand Capital plan to deliver phased investments in the coming years that will further cement Kalakaua Avenue's position as Honolulu's preeminent retail and tourist destination. Waikiki is one of the premier hospitality and retail markets in the United States and a global destination for domestic and international visitors due to its pristine natural scenery, rich cultural heritage, gentle year-round climate, and first-class shopping, entertainment, and dining options. Kalakaua Avenue is the primary

thoroughfare that runs through the heart of Waikiki and is home to flagship stores for many of the world's leading retailers.

"I am excited to reaffirm our presence in this vibrant and resilient destination, and to continue to provide visitors to Waikiki with world-class luxury products in an exceptional retail setting," said DFS Group Chairman and CEO Benjamin Vuchot.

"Kalakaua is one of the best retail corridors in the country and represents enormous potential for our local economy. Having DFS as an anchor tenant in Waikiki Galleria Tower will support our plans to create long-term jobs, contribute to the local economy and tax base, and continue smart growth of travel and tourism in Hawai'i," added BlackSand Capital Chairman and CEO B.J. Kobayashi.

With the recent loosening of international travel restrictions to Hawai'i, the airline industry is expecting strong demand from international travelers as flight services are steadily being restored.

DFS opened its first Hawai'i airport operations in 1962 at Honolulu International Airport, becoming the first duty free shop in the United States. Since then, DFS has continued to expand its local presence in Hawai'i, opening its first downtown store in Honolulu in 1968 followed by its flagship store in Waikiki Square in 1975. DFS opened its first Kahului Airport store in Maui in 1997.