
**Cleansing Report of
TRU Taj LLC**

Date of Report: October 30, 2018

IMPORTANT EXPLANATORY NOTE

TRU Taj LLC (the “Issuer”) has entered into confidentiality agreements (collectively, the “Confidentiality Agreements”) with certain holders of its (i) 12% Senior Secured Notes due 2021 (the “Pre-petition Taj Notes”) issued pursuant to an Indenture, dated August 16, 2016 (the “Pre-petition Taj Notes Indenture”), by and among the Issuer, TRU Taj Finance, Inc. (collectively with the Issuer, the “TRU Taj Issuers”), as issuers of the Notes, each of the guarantors party thereto, and Wilmington Trust, National Association, as trustee and collateral trustee, and (ii) 11% Senior Secured ABL DIP Notes (the “Taj DIP Notes” and together with the Pre-petition Taj Notes, the “Taj Notes”) issued pursuant to an Indenture, dated September 22, 2017 (the “DIP Notes Indenture” and together with the Pre-petition Taj Notes Indenture, the “Indentures”), by and among the TRU Taj Issuers, as issuers, each of the guarantors party thereto and Wilmington Savings Fund Society, FSB, as trustee and collateral trustee.

The Confidentiality Agreements require the Issuer to publicly disclose the Cleansing Material (as defined below) on the Disclosure Date (as defined in the Confidentiality Agreements) in the manner set forth in the Confidentiality Agreements. The Confidential Agreements require that the Cleansing Materials be posted to the same website being utilized by the Issuer to comply with its reporting obligations under Section 4.03 of Indentures. The Confidentiality Agreements provide that “Cleansing Material” includes, among other things, the following: (a) that the Issuer or any permitted party has provided confidential information to certain creditors; (b) if an agreement has been reached concerning the material terms of a transaction, such material terms; and (c) any other material non-public confidential information that has been provided, directly or derivatively through other confidential information, to the recipient of such confidential information or its representatives. This report is being posted by the Issuer to publicly disclose the Cleansing Material pursuant to the terms of the Confidentiality Agreements.

Item 8.01 Other Events

In connection with the Issuer’s ongoing sale process of its equity interest in the Asia JV, the Issuer has provided to certain holders of the Taj Notes with certain confidential information regarding historical and projected financial results of its Asia JV pursuant to the Confidentiality Agreements. The information attached to this report constitutes Cleansing Material under the Confidentiality Agreements.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this report, including the financial information incorporated by reference herein, may contain “forward-looking” statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such disclosures are intended to be covered by the safe harbors created thereby. All statements herein or therein that are not historical facts, including statements about our beliefs or expectations, are forward-looking statements. We generally identify these statements by words or phrases, such as “anticipate,” “estimate,” “plan,” “project,” “expect,” “believe,” “intend,” “foresee,” “forecast,” “will,” “may,” “outlook” or the negative version of these words or other similar words or phrases. These statements are subject to risks, uncertainties and other factors, including risks, uncertainties and factors set forth under the heading “Risk Factors” of Toys “R” Us, Inc.’s Annual Report for the fiscal year ended February 3, 2018 as posted to the website to which this report has been posted. These factors should not be construed as exhaustive, and should be read in conjunction with the other cautionary statements that are included or incorporated by reference in this report. We believe that all forward-looking statements are based on reasonable assumptions when made; however, we caution that it is impossible to predict actual results or outcomes or the effects of risks, uncertainties or other factors on anticipated results or outcomes and that, accordingly, one should not place undue reliance on these statements. The Issuer also cautions you that the statements and projections included in the Cleansing Material, including the financial information incorporated by reference herein, speak only as of the date on which such statements and projections were made and do not speak as of the date that the Cleansing Material, including the financial information incorporated by reference herein, is provided pursuant to this report. We can provide no assurances that any agreement for sale of the equity interest in the Asia JV will be reached. Neither the Issuer, its managers, officers or advisors undertakes any obligation to update this information.

Operating Performance – through P8 and Full Year¹

(\$'s in millions)

Asia Consolidated

	Consolidated		
	2017	2018	Vs. LY
	LY	TY	
	Year-to-Date (Japan P8; Asia ex Japan P8)		
Sales.....	963.5	923.7	(39.9)
Merch Margin.....	364.0	345.9	(18.1)
SG&A.....	293.0	299.7	6.7
EBITDA²	71.0	46.2	(24.8)
<i>Merch Margin %....</i>	<i>37.8%</i>	<i>37.4%</i>	<i>(0.3%)</i>
<i>SSS%.....</i>	<i>2.4%</i>	<i>(5.7%)</i>	<i>(8.1%)</i>

	2017	2018	Vs. LY
	LY	TY	
		Full Year (Sep Forecast)	
Sales.....	1,668.9	1,653.7	(15.2)
Merch Margin.....	626.1	624.1	(1.9)
SG&A.....	460.5	469.7	9.2
EBITDA^{2,3}	165.6	154.5	(11.1)
<i>Merch Margin %....</i>	<i>37.5%</i>	<i>37.7%</i>	<i>0.2%</i>
<i>SSS%.....</i>	<i>0.8%</i>	<i>(1.7%)</i>	<i>(2.5%)</i>

Notes: Figures are preliminary/unaudited and subject to change. FY represents FYE of January for Japan and December for China and Other SE Asia. All fiscal years converted at 2018 budget rates (CHN/USD of 0.1513, HKD/USD of 0.1282, NT/USD of 0.0333, SGP/USD of 0.7420, MLY/USD of 0.2444, THA/USD of 0.0306, and JPN/USD of 0.0088).

1. Japan is February through September (P8) with full year ending February 2, 2019. Asia ex-Japan is January through August (P8) with full year ending December 31, 2018. Forecast may also be subject to revision.
2. EBITDA before intercompany expenses related to royalty and ITASSA; does not take into account one-time items.
3. Japan EBITDA for full-year 2017 shown on a 53-week basis; on a 52-week basis, EBITDA for 2017 is equal to \$162 million.

****Figures presented in this presentation are not consistent with US GAAP accounting.**

Asia Projections

(\$'s in millions)

Asia Consolidated

2018 - 2022 Management Projection¹

	FY	FY	FY	FY	FY
	2018	2019	2020	2021	2022
Sale	\$1,652	\$1,752	\$1,909	\$2,053	\$2,202
Merch Margin	622	671	739	807	875
SG&A / Rent / Sub-Franchise Fee ²	468	505	548	588	626
EBITDA	\$154	\$166	\$192	\$219	\$248
Adjusted EBITDA³	\$109	\$118	\$140	\$164	\$191
Merch Margin %	37.7%	38.3%	38.7%	39.3%	39.7%
SSS%	(1.7%)	2.5%	4.4%	3.1%	3.2%

Notes: Figures are preliminary/unaudited and subject to change. FY represents FYE of January for Japan and December for China and Other SE Asia. All fiscal years converted at 2018 budget rates (CHN/USD of 0.1513, HKD/USD of 0.1282, NT/USD of 0.0333, SGP/USD of 0.7420, MLY/USD of 0.2444, THA/USD of 0.0306, and JPN/USD of 0.0088).

1. Capital expenditures projected to be between \$42 million and \$65 million over the projected period.
2. In the above table, sub-franchise royalty fees are excluded from sales and merchandise margin and shown netted from SG&A and rent; sales and merchandise margin shown on page 2 includes sub-franchise royalty fees.
3. Adjusted EBITDA calculated by deducting net royalties and ITASSA/TSA payment from EBITDA. The 2018 ITASSA payment does not include \$3.5 million owed by Japan and \$1.5 million owed by Asia ex-Japan.

****Figures presented in this presentation are not consistent with US GAAP accounting.**