



February 14, 2018

Press Release

Company name: Laox Co., Ltd.
Representative: President and Representative Director
Yiwen Luo
(Code number: 8202 TSE2)
Contact: General Manager of the Corporate
Planning Division
Atsushi Matsuzawa
(Tel: 03-6852-8881)

Notice Regarding Partial Changes in Use of Funds Pertaining to Issuance of New Shares, etc.

The Company has decided to make partial changes in conjunction with the issuance of new shares and sale of the Company's shares (hereinafter collectively called "the Public Offering") disclosed in the "Notice Regarding Issuance and Sale of New Shares and Issuance of Third Series of Stock Acquisition Rights through Third-Party Allotment" announced on March 9, 2015, the "Notice Regarding Determination of Issuance Price and Selling Price of Shares, etc. and Finalization of Issuance Price and Initial Exercise Price for Stock Acquisition Rights" announced on March 16, 2015, and the "Notice Regarding Finalization of Number of Shares to be Issued through Third-Party Allotment" announced on April 17, 2015, as well as the subsequent "Announcement of partial changes to use of funds related to matters such as new share issuances" announced on February 18, 2016. Details are as follows.

1. Reason for the change

The Company undertook the Public Offering to proactively step up its store development efforts with an eye to establishing Japan's largest network of tax-free stores. It also made partial changes to the use of funds as announced in the "Announcement of partial changes to use of funds related to matters such as new share issuances" on February 18, 2016 to give momentum to the evolution of its business model and corporate growth. With the completion of some capital spending programs and for the steady implementation of the medium-term management plan that will be announced today, the Company has reassessed the amount and timing of capital spending.

There is no change in the purpose of the Public Offering and plan for using funds to enhance store facilities.

2. Details of the change

Changes in the use of funds disclosed in Public Offering are as follows.

(Note) The underlined entries indicate where changes were made.

[Before the change]

With regard to the rough total amount of 29,208,795,000 received by way of the public offering and third-party allotment, 3,270,000,000 yen will be allocated for an investment in the establishment of a joint venture to acquire and operate the Chiba Port Square by the end of February 2016, and 25,938,795,000 yen will be allocated as part of capital investment funds for the opening of new stores and renovation of existing stores under the plan of establishing the network of tax-free stores during the period from March 2015 until the end of December 2017

The following table shows the Company's capital spending plan as of February 18, 2016 (as of February 1, 2016 for amounts that have already been paid).

| Office location Number of stores | Measures for store development | Investment to be made | | Financing method | Expected date of commencement and completion | | Total floor area after completion (m ²) |
|--|--------------------------------------|-------------------------------|---|---|---|--|--|
| | | Total amount (million yen) | Amount already paid (million yen) | | Commencement | Completion | |
| Akihabara Main Store (Chiyoda-ku, Tokyo) | Renovation | <u>1,800</u> | <u>15</u> | Funds for additional investments | Feb. 2016 - <u>Dec.</u> <u>2016</u> | <u>Jun. 2016 -</u> <u>Jun. 2017</u> | 4,019 |
| Osaka Nippombashi Store (Osaka-shi, Osaka) | Renovation | <u>720</u> | <u>65</u> | Funds for additional investments | Feb. 2016 | <u>May 2016 -</u> <u>Dec. 2016</u> | 710 |
| Akihabara AsoBitCity (Chiyoda-ku, Tokyo) | Renovation | <u>800</u> | <u>776</u> | Funds for additional investments | Mar. 2015 | <u>Sep. 2016 -</u> <u>Dec. 2016</u> | 1,377 |
| Canal City Hakata Store (Fukuoka-shi Fukuoka) | Renovation | <u>700</u> | <u>9</u> | Funds for additional investments | Mar. 2015 | <u>May 2016 -</u> <u>Dec. 2016</u> | 4,534 |
| Osaka Dotonbori Store (Osaka-shi, Osaka) | Renovation | <u>254</u> | <u>254</u> | Funds for additional investments | Jan. 2015 | May 2015 | <u>687</u> |
| Shinjuku WATCH (Shinjuku-ku, Tokyo) | Renovation | <u>250</u> | - | Own funds, borrowings, funds for additional investments | Mar 2016 - <u>Dec. 2016</u> | <u>Mar. 2016 -</u> <u>Dec. 2016</u> | 1,074 |
| Okinawa Ashibina Store (Tomigusuku-shi, Okinawa) | Renovation | <u>50</u> | - | Own funds, borrowings, funds for additional investments | <u>Mar. 2016 -</u> <u>Dec. 2016</u> | <u>Mar. 2016 -</u> <u>Dec. 2016</u> | 419 |
| Ginza Store (Chuo-ku Tokyo) | Land acquisition and new opening | 15,023 | - | Own funds, borrowings, funds for additional investments | <u>May 2016 -</u> <u>Dec. 2017</u> | Mar. 2017 - <u>Dec. 2017</u> | 2,248 |
| Daimaru Shinsaibashi Store (Osaka-shi Osaka) | New opening | <u>1,202</u> | <u>889</u> | Funds for additional investments | Nov. 2015 | <u>Apr. 2016</u> | 3,892 |
| Ginza EXITMELSA (Chuo-ku, Tokyo) | New opening | <u>1,392</u> | <u>1,392</u> | Funds for additional investments | Jun. 2015 | <u>Sep. 2015</u> | 1,583 |
| Shinjuku Main Store (Shinjuku-ku, Tokyo) | New opening | <u>2,107</u> | <u>1,520</u> | Funds for additional investments | Jan. 2015 | <u>Feb. 2016</u> | 2,140 |
| Odaiba Store (Minato-ku, Tokyo) | New opening | <u>716</u> | - | Own funds, Borrowings, Funds for additional investments | Mar. 2016 - <u>Jun. 2016</u> | <u>Mar. 2016 -</u> <u>Jun. 2016</u> | <u>645</u> |
| Tower City Nagasaki Store (Nagasaki-shi, Nagasaki) | New opening | <u>115</u> | <u>115</u> | Funds for additional investments | Feb. 2015 | <u>Apr. 2015</u> | <u>618</u> |
| Marinoa City Fukuoka Store (Fukuoka-shi Fukuoka) | New opening | <u>234</u> | <u>234</u> | Funds for additional investments | Jul. 2015 | <u>Sep. 2015</u> | 459 |
| Otaru Canal Store (Otaru-shi Hokkaido) | New opening | <u>98</u> | <u>98</u> | Funds for additional investments | <u>Apr. 2015</u> | <u>May 2015</u> | 419 |
| Hakodate Red Brick Store (Hakodate-shi, Hokkaido) | New opening | <u>89</u> | <u>89</u> | Funds for additional investments | Mar. 2015 | <u>May 2015</u> | 169 |
| Nikko Toshogu Store (Nikko-shi, Tochigi) | New opening | <u>61</u> | <u>61</u> | Funds for additional investments | Jul. 2015 | <u>Sep. 2015</u> | 435 |
| Shinsaibashisuji Store (Osaka-shi, Osaka) | New opening | <u>574</u> | <u>574</u> | Funds for additional investments | Aug. 2015 | <u>Sep. 2015</u> | 776 |
| Nagoya MARUEI Store (Nagoya-shi, Aichi) | New opening | <u>280</u> | <u>15</u> | Funds for additional investments | Jan. 2016 | <u>Mar. 2016</u> | 1,757 |
| Kyoto Marui Store (Kyoto-shi, Kyoto) | New opening | <u>300</u> | - | Funds for additional investments | Jan. 2016 | <u>Mar. 2016</u> | 1,426 |
| <u>3</u> stores in Hokkaido/Tohoku (Hokkaido, Miyagi) | New opening and renovation | 2,000 | <u>200</u> | Own funds, borrowings, funds for additional investments | Jan. 2016 - <u>Dec. 2017</u> | Jan. 2016 - <u>Dec. 2017</u> | <u>2,750</u> |
| <u>12</u> stores in Kanto (Tokyo, Chiba, Kanagawa, Ibaraki, Tochigi) | New opening and floor expansion | 5,975 | <u>150</u> | Own funds, borrowings, funds for additional investments, funds raised through the issuance and exercise of the stock acquisition rights | Jan. 2016 - <u>Dec. 2017</u> | Jan. 2016 - <u>Dec. 2017</u> | <u>6,496</u> |
| <u>4</u> stores in Chubu (Aichi, Shizuoka, Nagano, Gifu) | New opening | 1,876 | <u>116</u> | Own funds, borrowings, funds raised through the issuance and exercise of the stock acquisition rights | Jan. 2017 - <u>Dec. 2017</u> | Jan. 2017 - <u>Dec. 2017</u> | 2,083 |
| <u>4</u> stores in Kinki (Osaka, Kyoto, Hyogo) | New opening | 4,793 | <u>76</u> | Own funds, borrowings, funds for additional investments, funds raised through the issuance and exercise of the stock acquisition rights | Jan. 2016 - <u>Dec. 2017</u> | Jan. 2016 - <u>Dec. 2017</u> | <u>2,120</u> |
| <u>6</u> stores in Kyushu (Okinawa, Fukuoka, Saga, Oita) | New opening | 2,265 | <u>148</u> | Own funds, borrowings, funds for additional investments, funds raised through the issuance and exercise of the stock acquisition rights | Jan. 2016 - <u>Dec. 2017</u> | Jan. 2016 - <u>Dec. 2017</u> | <u>2,446</u> |
| Total | | 43,674 | 6,796 | | | | 45,282 |

[After the change]

With regard to the rough total amount of 29,208,795,000 received by way of the public offering and third-party allotment, 2,621,343,186 yen will be allocated for an investment in the establishment of a joint venture to acquire and operate the Chiba Port Square by the end of February 2016, and 26,587,451,814 yen will be allocated as part of capital investment funds for the opening of new stores and renovation of existing stores under the plan of establishing the network of tax-free

stores during the period from March 2015 until the end of December, 2020.

The following table shows the Company's capital spending plan as of February 14, 2018 (as of December 31, 2017 for amounts that have been already paid).

| Office location Number of stores | Measures for store development | Investment to be made | | Financing method | Expected date of commencement and completion | | Total floor area after completion (m ²) |
|---|--|-------------------------------|---|---|---|--------------------------|--|
| | | Total amount (million yen) | Amount already paid (million yen) | | Commencement | Completion | |
| Akihabara Main Store (Chiyoda-ku, Tokyo) | Renovation | 104 | 104 | Funds for additional investments | Feb. 2016 - Jul. 2017 | Jul. 2017 | 4,019 |
| Osaka Nippombashi Store (Osaka-shi, Osaka) | Renovation | 607 | 607 | Funds for additional investments | Feb. 2016 | Mar. 2017 | 710 |
| Akihabara AsoBitCity (Chiyoda-ku, Tokyo) | Renovation | 778 | 778 | Funds for additional investments | Mar. 2015 | Feb. 2016 | 1,377 |
| Canal City Hakata Store (Fukuoka-shi Fukuoka) | Renovation | 683 | 683 | Funds for additional investments | Mar. 2015 | May 2017 | 4,534 |
| Osaka Dotonbori Ebisubashi Store (Osaka-shi, Osaka) | Renovation and floor expansion | 256 | 256 | Funds for additional investments | Jan. 2015 | May 2015 | 1,147 |
| Shinjuku East Exit Store (Shinjuku-ku, Tokyo) | Renovation | 16 | 16 | Funds for additional investments | Mar. 2016 - Sep. 2017 | Sep. 2017 | 1,074 |
| Okinawa Ashibina Store (Tomigusuku-shi, Okinawa) | Renovation | 2 | 2 | Funds for additional investments | Jul. 2015 | Jul. 2015 | 419 |
| Ginza Store (Chuo-ku Tokyo) | Land acquisition and new opening | 15,023 | — | Own funds, Borrowings, funds raised through the issuance and exercise of the stock acquisition rights | Mar. 2018 - Dec. 2019 | Mar. 2018 - Dec. 2019 | 2,248 |
| Daimaru Shinsaibashi Store (Osaka-shi Osaka) | New opening | 1,920 | 1,920 | Funds for additional investments | Nov. 2015 | Jul. 2016 | 3,892 |
| Ginza EXITMELSA (Chuo-ku, Tokyo) | New opening | 1,378 | 1,378 | Funds for additional investments | Jun. 2015 | Nov. 2015 | 1,583 |
| Shinjuku Main Store (Shinjuku-ku, Tokyo) | New opening | 1,524 | 1,524 | Funds for additional investments | Jan. 2015 | Jan. 2016 | 2,140 |
| Decks Tokyo Beach Daiba Store (Minato-ku, Tokyo) | New opening | 637 | 637 | Funds for additional investments | Mar. 2016 - Jun. 2016 | Aug. 2016 | 945 |
| Tower City Nagasaki Store (Nagasaki-shi, Nagasaki) | New opening | 112 | 112 | Funds for additional investments | Feb. 2015 | Oct. 2015 | 578 |
| Marinoa City Fukuoka Store (Fukuoka-shi Fukuoka) | New opening | 427 | 427 | Funds for additional investments | Jul. 2015 | Nov. 2015 | 459 |
| Otaru Canal Store (Otaru-shi Hokkaido) | New opening | 149 | 149 | Funds for additional investments | Mar. 2015 | Mar. 2015 | 419 |
| Hakodate Red Brick Store (Hakodate-shi, Hokkaido) | New opening | 148 | 148 | Funds for additional investments | Mar. 2015 | Jun. 2015 | 169 |
| Nikko Toshogu Store (Nikko-shi, Tochigi) | New opening | 100 | 100 | Funds for additional investments | Jul. 2015 | Nov. 2015 | 435 |
| Shinsaibashisuji Store (Osaka-shi, Osaka) | New opening | 576 | 576 | Funds for additional investments | Aug. 2015 | Oct. 2015 | 776 |
| Nagoya MARUEI Store (Nagoya-shi, Aichi) | New opening | 738 | 738 | Funds for additional investments | Jan. 2016 | Apr. 2016 | 1,757 |
| Kyoto Marui Store (Kyoto-shi, Kyoto) | New opening | 722 | 722 | Funds for additional investments | Jan. 2016 | May 2016 | 1,426 |
| 9 stores in Hokkaido/Tohoku (Hokkaido, Miyagi) | New opening and renovation | 2,000 | 1,218 | Own funds, borrowings, funds for additional investments | Jan. 2016 - Dec. 2020 | Jan. 2016 - Dec. 2020 | 6,481 |
| 12 stores in Kanto (Tokyo, Chiba, Kanagawa, Ibaraki, Tochigi) | New opening and floor expansion | 5,975 | 1,414 | Own funds, borrowings, funds for additional investments, funds raised through the issuance and exercise of the stock acquisition rights | Jan. 2016 - Dec. 2020 | Jan. 2016 - Dec. 2020 | 9,872 |
| 4 stores in Chubu (Aichi, Shizuoka, Nagano, Gifu) | New opening | 1,876 | — | Own funds, borrowings, funds raised through the issuance and exercise of the stock acquisition rights | Jan. 2018 - Dec. 2020 | Jan. 2018 - Dec. 2020 | 2,083 |
| 13 stores in Kinki (Osaka, Kyoto, Hyogo) | New opening | 4,793 | 3,217 | Own funds, borrowings, funds for additional investments, funds raised through the issuance and exercise of the stock acquisition rights | Jan. 2016 - Dec. 2020 | Jan. 2016 - Dec. 2020 | 11,763 |
| 10 stores in Kyushu (Okinawa, Fukuoka, Saga, Oita) | Land acquisition and new opening | 2,265 | 1,433 | Own funds, borrowings, funds for additional investments, funds raised through the issuance and exercise of the stock acquisition rights | Jan. 2016 - Dec. 2020 | Jan. 2016 - Dec. 2020 | 6,089 |
| Total | | 42,809 | 18,159 | | | | 66,395 |

3. Impact on the future outlook

The impact of the change on the Company's business performances is immaterial.

End.