

【 Monthly Status Report for FY 2017 】

Mar. 20th, 2018
Tokyo Stock Exchange
2nd section, 8202

Corporate Planning Section, President's Office

These data are preliminary figures related to Laox's domestic store sales.

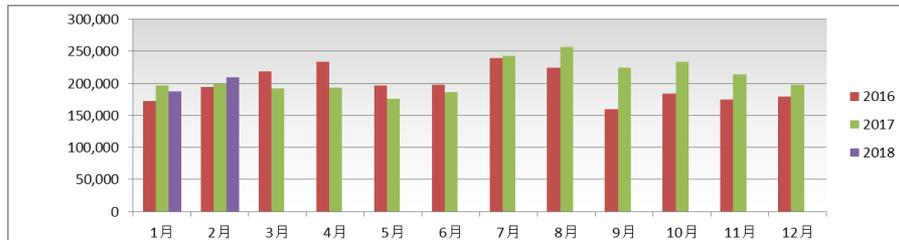
Please be advised that starting from this financial year, we will not publish the average purchase per customer.

※ The number of customers who paid for merchandise at Laox stores. Chiba Port Square's customers are excluded to reflect the inbound market condition only.

Status of the inbound industry

| All Laox stores in Japan | Jan~Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
|---------------------------------|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|
| Number of paying customers ※ | 2016 | 172,890 | 194,220 | 218,365 | 233,924 | 196,335 | 198,007 | 238,951 | 223,826 | 159,488 | 184,487 | 175,112 | 179,692 | |
| | 2017 | 197,136 | 198,983 | 191,867 | 193,553 | 175,756 | 186,501 | 242,348 | 256,426 | 224,826 | 233,389 | 214,177 | 197,811 | |
| | YoY growth rate | + 14.0% | + 2.5% | - 12.1% | - 17.3% | - 10.5% | - 5.8% | + 1.4% | + 14.6% | + 41.0% | + 26.5% | + 22.3% | + 10.1% | |
| | 2018 | 187,139 | 209,132 | | | | | | | | | | | |
| | YoY growth rate | - 5.1% | + 5.1% | | | | | | | | | | | |

Number of paying customers



Inbound Topics

• 2,509 thousand foreign tourists visited Japan in February, a year-on-year increase of 23.3%, and a record for the month, while the number of Chinese visitors to the country was 716 thousand, a year-on-year increase of 40.7%.

*Data published by Japan National Tourist Organization (JNTO)

• Government trade statistics announced in February say that foreign visitors to Japan brought back 345.6 billion yen worth of food as souvenir in 2017, an increase of 19% from 2016 and the export of food from Japan amounted to 807.3 billion yen in 2017, an year on year increase of 7.6%. Meanwhile, the export of cosmetics from Japan in 2017 increased by 39% from a year earlier to 371.5 billion yen, with online orders from the customers who returned home after visiting Japan believed to account for a significant part of the growth.

New store openings

43 stores as of the end of Feb. 2018

| New openings | | | | | |
|--------------|---------------------|------------|---------------------------|------------|------------|
| Date | Store name | Store area | Date | Store name | Store area |
| | | | | | |
| Closed | | | | | |
| Date | Store name | Date | Store name | | |
| Feb.28th | Nagoya MARUEI Store | Feb.28th | Nankainamba Station Store | | |

Laox's Measures

• Opened an online shop WeChat Mall on WeChat
We opened WeChat Mall, an online shop, on our official WeChat account in response to the request from our customers for such a store that has been growing since the start of our customer loyalty points program on WeChat last March. Starting with the opening of WeChat Mall, we will expand our E-commerce business in an effort to pursue the aim of shifting from passive service at physical stores to active service through multi-channel engagement, a strategy stated in our third medium-term management plan announced in February.

• Measures for Chinese New Year shopping season
We implemented various measures such as offering lucky shopping bags and holding lucky draws and food-tasting events to attract customers and provide fun experiences. We also offered 50% more time-limited set items, including lucky shopping bags, than we did last year, with emphasis on cosmetics and health supplements that have been increasingly popular recently.



Supplementary information

The number of paying customers increased by 5.1% from a year earlier, partly because the Chinese New Year shopping season fell in February this year. In March, we will implement measures, including the ones that proved effective during the Chinese New Year period, to best serve a large number of customers expected during the cherry blossom viewing season. We held a meeting on February 5th to brief FY2017 consolidated financial results and the third medium-term management plan. According to the latter, we will pursue the goal of reforming the earnings structure while achieving growth. For details, please refer to the URL below.
http://www.laox.co.jp/ir/event/event_01.html