

【 Monthly Status Report for FY 2017 】

Sep 20th, 2017
Tokyo Stock Exchange
2nd section, 8202

Corporate Planning Section, President's Office

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

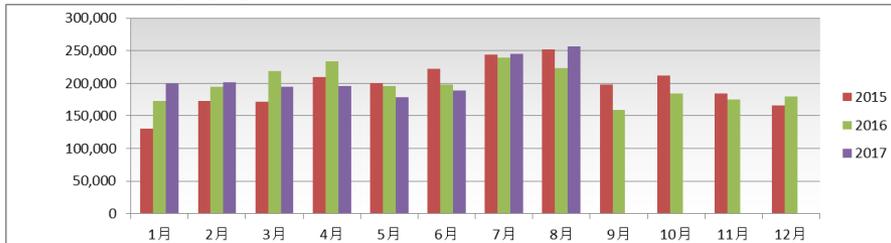
Please be advised that starting from this financial year, we will not publish the average purchase per customer.

※ 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 ※	2015	130,141	172,900	172,016	210,073	200,526	221,884	244,341	252,475	197,978	212,066	184,357	166,055
	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
	YoY growth rate	+ 32.8%	+ 12.3%	+ 26.9%	+ 11.4%	- 2.1%	-10.8%	- 2.2%	- 11.3%	- 19.4%	-13.0%	- 5.0%	+ 8.2%
	2017	197,136	198,983	191,867	193,553	175,756	186,501	242,348	256,426				
	YoY growth rate	+ 14.0%	+ 2.5%	- 12.1%	- 17.3%	- 10.5%	- 5.8%	+ 1.4%	+ 14.6%				

■ Number of paying customers



■ Inbound Topics

- 2,478 thousand foreign tourists visited Japan in August, a year-on-year increase of 20.9%, and a record for the month, while the number of Chinese visitors to the country was 820 thousand, a year-on-year increase of 21.1%. *Data published by Japan National Tourist Organization (JNTO)
- According to Japan Cruise Report published by Ministry of Land, Infrastructure, Transport & Tourism, cruise ships visited Japan 291 times in August, 19% more than a year earlier. Kyushu Cruise Report says that cruise ships visited Kyushu 101 times in August, 16% more than the same month last year. *the total number of foreign and domestic cruise ships

■ Laox's Measures

- Opened our 2nd store in after-immigration area

On Aug. 25th, we opened a new store in the after-immigration area of the Narita Airport 2nd Terminal, our second such store after the one in Niigata Airport. In this area even purchase of less than ¥5,000 is tax-free, so we carry more of lower priced items such as sweets. Also, many Japanese customers are visiting the new store as the last shopping spot before departure.



- Purchased stock warrants of Yamatoyashiki, a department store operator in Hyogo prefecture

On Aug. 31st, we announced the purchase of stock warrants and bonds with stock warrants issued by Yamatoyashiki, an operator of department stores in Hyogo prefecture, including one in Himeji city, where Himeji Castle - a world heritage site- is located, and more and more foreign tourists have been visiting. We will aim to integrate the inbound market and local markets, and to integrate consumption of goods and consumption of experience..



New store openings

44 stores as of the end of Aug. 2017

New openings

Date	Store name	Store area	Date	Store name	Store area
Mar.6th	Sasebo Store	297.52m ²	Jul.19th	LaRa TOWN Dazaifu Store	3,075.00m ²
Apr.2nd	Nagasaki International Cruise Ship Terminal Store	40.00m ²	Jul.30th	Miyakojima Store	258.00m ²
Apr.5th	Sasebo Cruise Ship Terminal Store	52.50m ²	Aug.8th	Kagoshima Store	1366.00m ²
Jul.1st	Chiba Port Square Port Town	12,762.00m ²	Aug.18th	Narita International Airport Terminal 2 Store	65.00m ²

Closed

Date	Store name	Date	Store name
Jan.10th	Kushiro Airport Store	Mar.28th	Akihabara Asobit City Store
Feb.18th	Sasebo Store	May.30th	Marinoa City Fukuoka Store
Feb.20th	Sapporo Norbesa Store	Aug.27th	Daimaru Kobe Store

Supplementary information

The number of paying customers in August was up 14.6% from the same month last year, a huge increase, and the largest ever in our history, surpassing the previous record set in August 2015. Our existing stores, as well as new stores that opened ahead of the cruise ship tour season, have been attracting a large number of both group and individual tourists. As a result, the number of paying visitors has begun to increase since July compared to the same period last year. We will continue to strive to increase the number of visitors to our stores through advertisement and promotion in China and make their trip to Japan fun and informative through improvements to our service to both consumers of goods and consumers of experience.