

May 10, 2016

To whom it may concern:

Company Name: Laox Co., Ltd.  
Representative: Yiwen Luo, President and Representative Director  
(Securities code: 8202 TSE2)  
Contact: Teruji Yano, Director, General Manager of Administration Division  
(TEL 03-6852-8880)

**Regarding Items Concerning Controlling Shareholders, etc.**

We are notifying you in regards to items concerning the controlling shareholders, etc. of SUNING COMMERCE GROUP CO.,LTD., the parent company of our company. The details are these items are shown below.

1. Parent company, controlling shareholders (excluding the parent company), other affiliated company, and trade name, etc. of the parent company of the other affiliated company

(As of December 31, 2015)

Name	Attribution	Voting rights possessed (%)			Financial instrument exchange at which published stocks, etc. are listed
		Directly possessed	Total added	Total	
SUNING COMMERCE GROUP CO.,LTD.	Parent company	0.00	42.11	42.11	Shenzhen Stock Exchange (China)
HONG KONG SUNING APPLIANCE CO., LTD.	Parent company	0.00	42.11	42.11	—
GRANDA MAGIC LIMITED	Parent company	42.11	0.00	42.11	—
SUNING APPLIANCE CO.,LTD.	Other affiliated company	0.00	7.41	7.41	—
SUNING INTERNATIONAL LIMITED	Other affiliated company	0.00	7.41	7.41	—
GRANDA GALAXY LIMITED	Other affiliated company	7.41	0.00	7.41	—

2. From among the parent companies, name of company recognized to have the biggest impact on the quoted company, and the reasons thereof

SUNING COMMERCE GROUP CO.,LTD. is the parent company which possesses a substantial amount of the voting rights of this company, with 42.11%, via HONG KONG SUNING APPLIANCE CO., LTD., which is a wholly-owned subsidiary, and via one of its wholly-owned subsidiaries, GRANDA MAGIC LIMITED.

3. Relationship between other quoted companies and the parent companies, etc. In the positioning of quoted companies of the corporate group of the parent companies, etc.

SUNING COMMERCE GROUP CO.,LTD., which primarily operates electronics retail stores in China, possess 42.11% of the voting rights of our company. SUNING APPLIANCE CO.,LTD., which primarily works in real estate in China, possesses 7.41% of the voting rights of our company. With the goal of strengthening our EC business and trade business in the Greater China region, and domestic tax-free business, we have constructed a fixed cooperative relationship with a corporate groups of the parent companies, etc. Also, with goals such as the goal of exchanging management information and technical knowhow with the parent companies, etc. and the goal of understanding Chinese market trends, we have appointed directors and an auditor from the parent companies, etc. To be specific, three directors and one auditor from SUNING COMMERCE GROUP CO.,LTD. were appointed. Also, we think that basing these appointments on the requirements of our company puts us in a circumstance in which we are able to make unique business judgments.

(Status of other positions held by directors)

Position	Name	Position in the parent companies, etc. and in the corporate group	Reason for appointment
Director	Zhe Wang	Parent company SUNING COMMERCE GROUP CO.,LTD. Vice president of sales and marketing	Request for appointment was made by our company in order to perform, for example, exchange of management information and technical knowhow
Director	Yong Jiang	Parent company SUNING COMMERCE GROUP CO.,LTD. Vice president of sales and marketing	Request for appointment was made by our company in order to perform, for example, exchange of management information and technical knowhow
Director	Feng Han	Parent company SUNING COMMERCE GROUP CO.,LTD. Securities representative of the secretary's office of the board of directors	Request for appointment was made by our company in order to perform, for example, exchange of management information and technical knowhow
Auditor	Zhisong Hua	Parent company SUNING COMMERCE GROUP CO.,LTD. Superintendent-general of financial management department, financial planning center	Request for appointment was made by our company in order to, for example, exchange of knowhow regarding auditing in China

5. Items concerning transactions with controlling shareholders, etc.

Please refer to **Information of Related Persons** in the 40<sup>th</sup> Financial Statement Report (submitted March 25, 2016).

6. Status of implementation of the policies for preservation of minority shareholders in the performance of transactions, etc. with controlling shareholders

Transactions that are made between this company, the parent company, and controlling shareholders,

are defined according to the corporate governance report. After a transaction has been sufficiently inspected by company-internal institution to ensure that there are no legal problems in regards to the necessity and conditions of the transaction, we work to preserve the minority shareholders by seeking the opinions of third parties.