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Press Release

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Notice of Change in Reportable Segments

Laox Co., Ltd. (the “Company”) hereby announces that it has determined to change its reporting segments starting from the fiscal period ending December 2019. Details are as follow:

1. Reason for the change

“Retail Business” has to date included the duty-free shop business for tourists visiting Japan and the trade/global e-commerce business for overseas market. However, starting from the consolidated fiscal year under review, the Company has changed the statement of reportable segments, making a distinction between “Inbound Business” and “Global Business” because the quantitative importance of the trade/global e-commerce business increased.

Moreover, regarding the “Entertainment Business” and “SC Development Business,” the Company has been striving to enhance services to respond to the needs of customers who are experience-oriented (consumption of experiences). As the Company reviewed its organizational structure and performance management method so that restaurants and commercial complexes of respective Businesses could be operated in an integrated way, it has consolidated both businesses into a new segment “Entertainment Business.”

2. Outline of the change and business details of each segment

Segment for the fiscal 2018		Segment for the fiscal 2019
Retail Business		Inbound Business
Life & Fashion Business		Global Business
Entertainment Business		Life & Fashion Business
SC Development Business		Entertainment Business

“Inbound Business” is a duty-free shop business operated at domestic stores for tourists visiting Japan.

“Global Business” is a trade/global e-commerce business through diverse channels or networks regardless of BtoC and BtoB, real and net stores with a focus on “Japan’s high quality products.”

“Life & Fashion Business” is a business that is run in an integrated way through multiple channels such as catalog mail-order selling, physical stores, and e-commerce with products for life and fashion relating to people’s lifestyle including female footwear.

“Entertainment Business” is a business to operate commercial complexes, and offer experience-oriented services including food culture for inbound tourists and domestic demand.