

# 【 Monthly Status Report for FY 2017 】

Feb. 21st, 2018  
Tokyo Stock Exchange  
2<sup>nd</sup> section, 8202

Corporate Planning Section, President's Office

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

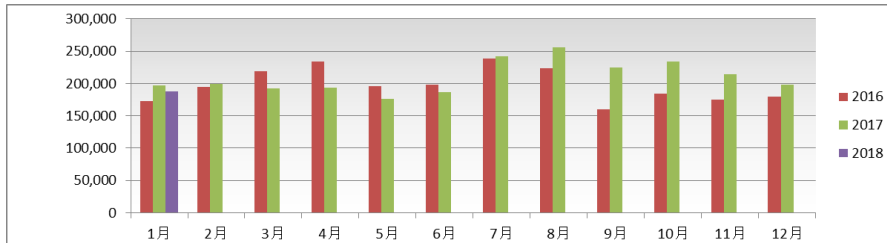
Please be advised that starting from this financial year, we will not publish the average purchase per customer.

※ 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											
	YoY growth rate	- 5.1%											

## ■ Number of paying customers



## ■ Inbound Topics

- 2,502 thousand foreign tourists visited Japan in January, a year-on-year increase of 9%, and a record for the month, while the number of Chinese visitors to the country was 632 thousand, a year-on-year increase of 0.3%. \*Data published by Japan National Tourist Organization (JNTO)
- Of foreign tourists who visited Japan in 2017, those from China accounted for the largest share (7.35 million, a year-on-year increase of 15%) followed by South Koreans (7.14 million, a y-o-y increase of 40%), Taiwanese (4.56 million, a y-o-y increase of 9%), Hong Kongers (2.23 million, a y-o-y increase of 21%). In total, those from East Asian countries accounted for 74%.
- According to Consumption Trend Survey for Foreigners Visiting Japan published in January, foreign tourists spent 4,416.1 billion yen in Japan, exceeding 4 trillion yen for the first time. Spending on shopping accounted for the largest share (37.1%) followed by accommodation costs (28.2%), and food & drink costs (20.1%). The share of the amount foreign tourists spent on service and entertainment while in Japan showed a slight increase (from 3% to 3.3%, or increase of 3.03 billion yen).

## New store openings

43 stores as of the end of Jan. 2018

New openings					
Date	Store name	Store area	Date	Store name	Store area
Closed					
Date	Store name	Date	Store name		

There was no store opened or closed in January.

## ■ Laox's Measures

- Laox Riverwalk Kitakyushu Store opened in a Riverwalk Kitakyushu B1F space we acquired in December 2017.

The store will open for business when a cruise ship arrives. In the future, we will operate it as a store-cum-event space where we will offer both excellent goods and wonderful experience.



- Began accepting payment by Suning Pay at some stores, first in Japan

Suning Pay, an online payment system run by our parent company, was introduced to some of our stores for the first time outside China. The amount paid through Suning Pay in 2017 was 700 billion yuan (approx.10.5 trillion yen), and 130 million people use Suning Pay.

- Acquisition of the stock of SNP

We acquired SNP, a company that plans and organizes cultural events on World Heritage sites and other enlightening venues. We will create a synergy effect to offer rich cultural experiences.

## Supplementary information

The number of paying customers in January declined 5.1% from a year earlier. We suspect one reason is that while Chinese New Year fell on Jan. 27th in 2017, it was February 16th this year, which means that one of the busiest shopping season for Chinese people didn't start in January in 2018. In this February, we will offer lucky shopping bags containing recent best-selling products such as cosmetics, health supplements, hair-care & beauty appliances and others. Also, our customers will be able to enjoy hands-on experiences only physical stores can offer including face-to-face counseling on cosmetics (Japan Cosme Lounge) and various food-tasting events. Furthermore, we are going to set up Wei Shangcheng, an online store on WeChat, in an effort to increase the number of returning customers through the E-commerce channel.