

【 Monthly Status Report for FY 2017 】

Apr. 18th, 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.

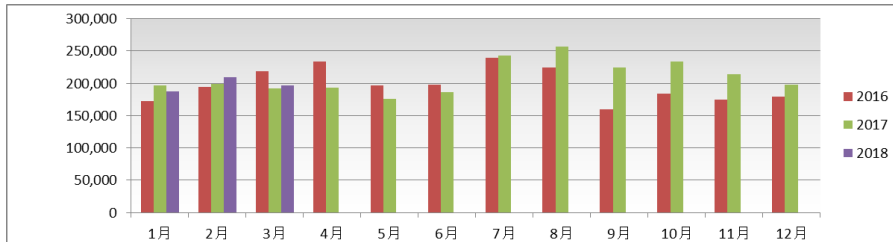
Please be advised that starting from this financial year, we will not publish the average purchase per customer.

※ 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	196,638										
	YoY growth rate	- 5.1%	+ 5.1%	+ 2.5%										

■ Number of paying customers



■ Inbound topics

• 2,608 thousand foreign tourists visited Japan in March, a year-on-year increase of 18.2%, and a record for the month, while the number of Chinese visitors to the country was 595 thousand, a year-on-year increase of 16.9%. *Data published by Japan National Tourist Organization (JNTO)
 • According to "Consumption Trend Survey for Foreigners Visiting Japan" published by Japan Tourism Agency in March, 61% of the foreign tourists who visited Japan in March had been to the country at least once before. Among them, frequent travelers who had visited Japan 9 times or more spent 20-40% more than first time visitors. The most expensive items purchased by frequent travelers from China and Taiwan were clothes, bags, and shoes: for those from Hong Kong, it was cameras and watches: and for those from South Korea, it was electric home appliances, showing divergent consumption trends among frequent travelers depending on their nationality. On the other hand, shopping was the most popular activity among foreign tourists visiting Japan followed by appreciation of nature and hot-spring bathing and others, regardless of which country they were from or how many times they had come to the country.

■ Laox's measures

• Opened Kurogi Shanghai, a Japanese restaurant, in the Bund: the symbol of Shanghai
 We opened Kurogi Shanghai on the 1st floor of Bellagio Shanghai*, a hotel in Shanghai on March 9th 2018 through a business partnership with Kurogi known as the hardest restaurant to reserve in Tokyo. The recent increase in the number of Chinese tourists visiting Japan has led to rising popularity of Japanese restaurants in China. The interior design by renowned architect Kengo Kuma is richly infused with Japanese culture, which will cater to so called consumption of experience, one of our corporate goals.



• Announced acquisition of Shady shares
 We announced on Mar. 26th that we acquired 60% of shares of L Capital TOKYO, founded by Locondo Inc., by underwriting capital increase through third party allotment and through L Capital TOKYO, we also acquired shares of Shady, a leading gift-sales company that runs Saradakan, a nationwide network of franchise stores. In addition to streamlining our E-commerce and logistics operations drawing upon Locondo's strong expertise in those fields, we will take advantage of Shady's sophisticated merchandising capabilities to improve our own, in order to boost our retail, trade, and overseas E-commerce businesses.

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

※Please be advised that from next month on our monthly status report will be posted **once in three months** in order to offer more precise analyses and broader information. **The next report will be posted in July.**

New store openings

40 stores as of the end of Mar. 2018

New openings					
Date	Store name	Store area	Date	Store name	Store area
Closed					
Date	Store name	Date	Store name		
Feb.28th	Nagoya MARUEI	Mar.29th	Nagasaki Matsugae Terminal Store		
Feb.28th	Nankainamba Station Store				