

【 Monthly Status Report for FY 2017 】

Oct. 18th, 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.

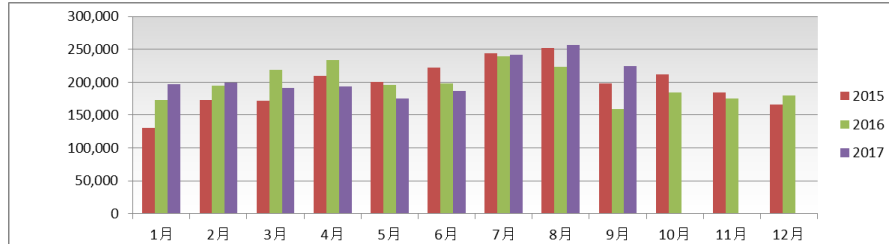
Please be advised that starting from this financial year, we will not publish the average purchase per customer.

※ 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	224,826			
	YoY growth rate	+ 14.0%	+ 2.5%	- 12.1%	- 17.3%	- 10.5%	- 5.8%	+ 1.4%	+ 14.6%	+ 41.0%			

■ Number of paying customers



■ Inbound Topics

- 2,280 thousand foreign tourists visited Japan in September, a year-on-year increase of 18.9%, and a record for the month, while the number of Chinese visitors to the country was 678 thousand, a year-on-year increase of 29.9%. In total, 21,196 thousand foreign tourists visited Japan from January to September in 2017. The number hit the mark of 20 million on September 15th, 45 days earlier than in 2016. *Data published by Japan National Tourist Organization (JNTO)
- Regarding Chinese restrictions on group travel to Japan, we are still examining what has really happened and what effect the restrictions will have on our business. As of now, we have not confirmed that the measure has been implemented in metropolitan areas, including Shanghai, which most of the Chinese group travelers to Japan come from.

■ Laox's Measures

- Opened MINATO CAFE & BAKERY and LAWSON Chiba Port Square Store

We opened MINATO CAFE & BAKERY, a bakery café, and LAWSON Chiba Port Square Store, a convenience store, within Chiba Port Square on September 29th. The former is directly operated by Food Creation Works, our subsidiary, and the latter is run as our franchise store. We will provide excellent service at these new establishments so that they will enjoy the patronage of visitors, both Japanese and foreign, to the other facilities within Chiba Port Square, namely ARENA, PORT TOWN, Office Tower and Candeo Hotels.



- Announced the acquisition of the stock of the Ogitsu Co., Ltd. group

On September 22nd, we announced that we will make the Ogitsu group, a designer and wholesaler of women's shoes, a subsidiary. Ogitsu has many brands including "ing", one of the most popular and famous brands of women's shoes. We will strive to achieve a synergy effect between Mode Et Jacomo, another Laox subsidiary, and Ogitsu in terms of production and sales and improve overall business efficiency and promote vertical integration (as SPA: specialty store retailer of private label apparel).



New store openings

44 stores as of the end of Sep. 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

In September, the number of paying customers rose by as much as 41.0 % from a year earlier, continuing the steady increase in recent months from the same period in 2016 and 2015. In preparation for Anniversary of Founding of PRC that starts on October 1st, we have begun "Autumn Campaign" at all stores since late September, offering popular items at discounts. Also, we will broaden our PR efforts by forming business partnerships with Ctrip, a leading Chinese on-line travel agency, Dianping, the largest review site in China, and various mobile payment companies including Chinese UnionPay in an attempt to increase our name recognition among FITs and improve our overall customer service.