

【 Monthly Status Report for FY 2017 】

Jan. 16th, 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.

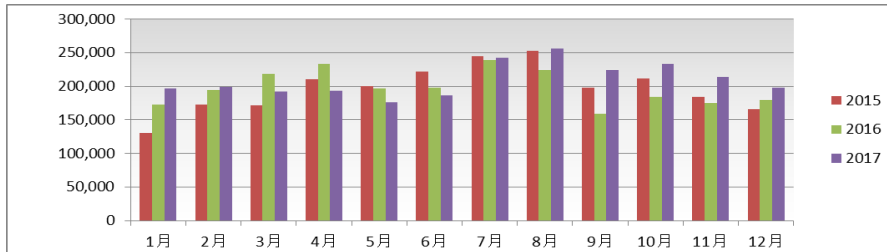
Please be advised that starting from this financial year, we will not publish the average purchase per customer.

※ 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 ※ | 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 | 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% |

Number of paying customers



Inbound Topics

- 2,521 thousand foreign tourists visited Japan in December, a year-on-year increase of 23%, and a record for the month, while the number of Chinese visitors to the country was 564 thousand, a year-on-year increase of 32%. *Data published by Japan National Tourist Organization (JNTO)
- Under the FY 2018 Tax Reform package drawn by the Japan Tourism Agency, foreign tourists will be exempted from paying the consumption tax if their total is ¥5,000 or more regardless of the product categories, greatly simplifying the procedure.

New store openings

43 stores as of the end of Dec. 2017

| New openings | | | | | |
|--------------|---|------------|---------------------------------|--|------------|
| Date | Store name | Store area | Date | Store name | Store area |
| Mar.6th | Sasebo Store | 297.52㎡ | Jul.30th | Miyakojima Store | 258.00㎡ |
| Apr.2nd | Nagasaki International Cruise Ship Terminal Store | 40.00㎡ | Aug.8th | Kagoshima Store | 1366.00㎡ |
| Apr.5th | Sasebo Cruise Ship Terminal Store | 52.50㎡ | Aug.18th | Nanta International Airport Terminal 2 Store | 65.00㎡ |
| Jul.1st | Chiba Port Square Port Town | 12,762.00㎡ | Oct.25th | Okinawa American Village Store | 592.00㎡ |
| Jul.19th | LaRa TOWN Dazaifu Store | 3,075.00㎡ | | | |
| Closed | | | | | |
| Date | Store name | Date | Store name | | |
| Jan.10th | Kushiro Airport Store | May.30th | Marinoa City Fukuoka Store | | |
| Feb.18th | Sasebo Store | Aug.27th | Daimaru Kobe Store | | |
| Feb.20th | Sapporo Norbesa Store | Dec.20th | Okayama Airport Store | | |
| Mar.28th | Akihabara Asobit City Store | Dec.31st | Osaka Dotonbori Ebisubasi Store | | |

Laox's Measures

- Grand opening of Chiba Port Circle

We opened Chiba Port Circle, an entertainment facility, on the premises of Chiba Port Square on Dec. 22nd. On the 2nd & 3rd floors are exhibition spaces, in which classic cars are currently displayed. On the 4th & 5th floors is Chiba Port Theater, directly run by Laox. The theater now hosts the non-verbal performance -GEAR- East Version, a stage play hugely popular in Kyoto. On Dec. 21st, we held a preview ahead of opening to the public, inviting reporters and influencers.



- Sales campaign in collaboration with Ctrip at Chow Tai Fook within Laox Shinjuku East-exit Store, and others

We held X'mas & year end customer appreciation events at all our stores, offering discounts and special gifts to attract customers. At Chow Tai Fook located within Laox Shinjuku East-exit Store, we offered cashback in collaboration with Ctrip in an attempt to promote sales of jewelry, an ideal X'mas present.



Supplementary information

In December, the number of paying customers increased 10.1% from November, posting the 5th straight double digit monthly increase. In the recent months we have been actively reaching out to foreign tourists before their departure for Japan. In December as well, we implemented "preliminary" sales promotion through various applications and WEB sites, in collaboration with Chinese UnionPay, Alipay, WeChatPay and other settlement sites. In addition to the cashback service at Chow Tai Fook mentioned above, we increased the discount rate in collaboration with Ctrip at all Laox stores. We will make further efforts to appeal to potential customers ahead of their trip to Japan.