【 Monthly Status Report for FY 2017 】

Status of the inbound industry

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.

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					
	YoY growth rate	+ 14.0%	+ 2.5%	- 12.1%	- 17.3%	- 10.5%	- 5.8%	+ 1.4%					

■ Number of paying customers
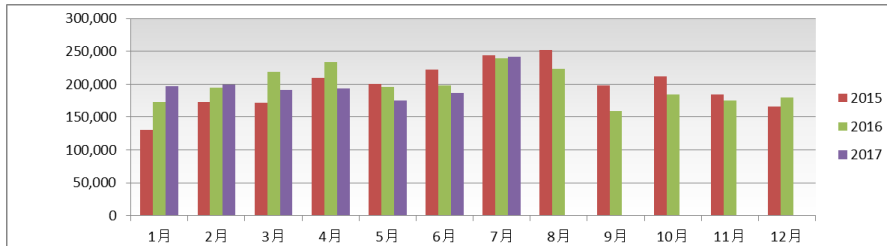
■ Inbound Topics

· 2,682 thousand foreign tourists visited Japan in July, a year-on-year increase of 116.8%, and a record for the month, while the number of Chinese visitors to the country was 781 thousand, a year-on-year increase of 106.8%. ※Data published by Japan National Tourist Organization (JNTO)

· According to Consumption Trend Survey for Foreigners Visiting Japan published by Japan Tourism Agency in July, the total amount spent by foreign tourists to Japan from January through June this year exceeded 2 trillion yen, for the first time ever for the first half of a year. Total expenditure per foreign tourist from April to June dropped 6.7% from a year earlier, but those from Korea, China, UK and other countries spent more than they did in the same period in 2016.

■ Laox's Measures

· New stores opened before the summer cruise ship season in Kyushu & Okinawa area

Ahead of summer when most cruise ships come to Japan, and in the Kyushu area that attracts most of them in Japan, we opened two new stores – Lara Town Dazaifu Store in Fukuoka, which is the second largest of all the Laox Kyushu stores, and Miyakojima Store in Okinawa, our first store on a remote island.

· Loyalty membership over 100,000

The membership of Laox's loyalty point program, which started in March 2017 based on our official account on WeChat, exceeded 100,000 people in July. The objective of the scheme is acquiring new customers through word of mouth as well as attracting frequent customers to our international EC business by regularly providing Information on our bargain sales, products, and Japanese tourism.

New store openings

43 stores as of the end of Jul. 2017

New openings

Date	Store name	Store area	Date	Store name	Store area
Mar.6th	Sasebo Store	297.52㎡	Jul.1st	Chiba Port Square Port Town	12,762.00㎡
Apr.2nd	Nagasaki International Cruise Ship Terminal Store	40.00㎡	Jul.19th	LaRa TOWN Dazaifu Store	3,075.00㎡
Apr.5th	Sasebo Cruise Ship Terminal Store	52.50㎡	Jul.30th	Miyakojima Store	258.00㎡

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		

Supplementary information

Now that the summer tourism season is in full swing, the number of paying customers in July showed a substantial increase of 29.9 % from June and grew by 1.4% from July 2016, the first monthly year-on-year growth in 5 months. With cruise ship travelers to Japan on the rise, our existing stores in the Kyushu area, as well as the new LaRa Town Dazaifu store, which opened on July 19th, have greatly contributed to the upturn. We will further maximize our sales during the summer season by actively providing tourism information to FIT and improving overall customer service. There is much room to improve the operation of Chiba Port Town, which opened on July 1st, although the facility is receiving very high customer traffic from nearby residential areas. We will refine the store management based on the customer feedback.