

June 17, 2016 Laox Co., Ltd.

<u>Notice Regarding the Provision of Products to a Store at</u> <u>Cross-Strait Free Trade Center Windlion Duty Free Shop</u>

Laox Co., Ltd. (Headquarter: Minato-ku, Tokyo; President and Representative Director: Yiwen Luo; Securities code: 8202; "our company" hereinafter) has advanced business based on our "Second Mid-term Management Plan" that was published on February 12, 2015. Also, as of May 13, 2016, we have reclassified our business segments into "Domestic Retail Business", "Overseas Business", and "Others", and we have advanced and developed these businesses further.

Our intention of this year, which is the second year of our "Second Mid-term Management Plan", is to strengthen and foster overseas business as our second pillar after "Domestic Retail Business" with the next mid-term plan in our field of vision. As mentioned in our "Notice of Foreign Subsidiary Establishment (report of items disclosed after the fact)" of June 17, 2016, we will use the establishment of this affiliated company as an opportunity to begin earnestly performing business activity in Taiwan.

Recently, we have entered into a business cooperation agreement with Taiwan Land Development Co., Ltd., which is participating in the development of the Taiwan Cross-Strait Free Trade Center, in order to start cooperating in the operation of a shop inside the Windlion Duty Free Shop. The Taiwan Cross-Strait Free Trade Center has a lot size of 74,500 m², and it consists of an international conventional center, an office tower, leisure facilities such as a 4D movie theater, health center facilities, and Taiwan's largest scale duty-free shopping mall. At an approximately 183-tsubo shop on the first floor of the south tower of this shopping mall, approximately 3,000 SKUs of products of our company, mainly household electronics and cosmetics popular among visitors to Japan, as well as watches, jewelry, and miscellaneous goods, will be provided, and training courses regarding Japanese-style service and product display knowhow will be conducted as well. Also, customers can take advantage of our extended warranty system, which is a characteristic of our company.

We will utilize our product selection that makes use of our product marketing information of our shops inside Japan and our accumulated knowhow in order to provide high-quality, made-in-Japan products and services to people in Taiwan, as well as to persons visiting Taiwan from all over the world. Please look forward to our activity in Taiwan as part of our future overseas business.

Reference

Overview of partner company Company name: Taiwan Land Development Co., Ltd. Representative: Chiu Fu Sheng Location: 14th Floor 1, 51 Hengyan Rd., Zhongzheng District, Ttaipei City, Taiwan Capital: 26.8 billion yen $\ (8 \ billion \ Taiwan \ dollars)$

Date of establishment: June 30, 1964

Contact Information for inquiries regarding this matter: Corporate Planning Section, Laox Co., Ltd. Tel: 03-6852-8881