



April 28, 2017

Press Release

Company name: Laox Co., Ltd.
Representative: Yiwen Luo, President and Representative Director
(Code number: 8202 TSE2)
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Notice of Merger Between Consolidated Subsidiaries

At the Board of Directors' meeting held on April 28, 2017, Laox Co., Ltd. ("Laox") resolved to merge its consolidated subsidiaries Mode Et Giacomo Co., Ltd. ("Mode Et Giacomo") and Shinko Seika Kogyo Co., Ltd. ("Shinko Seika"). Details are as follows.

This merger is carried out between wholly owned consolidated subsidiaries of Laox, and some information and details are therefore omitted in the disclosure.

1. Purpose of the merger

In August 2017, Laox merged the business of Shin-EI Corporation with a Laox subsidiary, Mode Et Giacomo, and transferred the business of Shinko Seika to Laox.

Since then, in the ladies' shoe business, Laox has been offering the made-in-Japan products with high-quality and safety and providing services, by succeeding and combining the design and sales capacity improvement based on Mode Et Giacomo business and the technology of Shinko Seika.

Laox resolved to implement this merger for the purpose of establishing an SPA (specialty store retailer of private-label apparel) system, building a strong business structure through vertical integration from manufacturing to retail, and standardizing and streamlining business management by combining Mode Et Giacomo's planning and sales business and Shinko Seika's ladies' shoe manufacturing business.

2. Description of the merger

(1) Schedule of the merger

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| a. Resolution of the Board of Directors of the subsidiary to be merged | April 27, 2017 |
| b. Resolution of the Board of Directors of Laox on the approval of the merger | April 28, 2017 |
| c. Conclusion of the merger agreement | April 28, 2017 |
| d. Date of the merger (effective date) | July 1, 2017 (scheduled) |

(2) Method of the merger

A merger and acquisition in which Mode Et Giacomo will be the surviving company and Shinko Seika will be dissolved.

(3) Allotment as a result of the merger

No shares of stock will be issued and no compensation will be paid as a result of the merger.

(4) Handling of subscription rights to shares and bonds with subscription rights to shares of the dissolving company

Not applicable.

3. Outlines of the merged companies

	Surviving Company	Dissolving Company
Name	Mode Et Jacomo Co., Ltd.	Shinko Seika Kogyo Co., Ltd.
Location	2-7-17 Shiba, Minato-ku, Tokyo	2-7-17 Shiba, Minato-ku, Tokyo
Name of representative	Yoko Yamazaki	Yoko Yamazaki
Type of business	Manufacture, sale, etc. of ladies' shoes and bags	Manufacture, processing, sale, etc. of shoes and fabric and leather products
Capital	30 million yen	10 million yen
Date established	August 4, 1975	January 27, 1998
Number of shares outstanding	6,000	200
Fiscal year end	December 31	December 31
Major shareholders and shareholding ratios	Laox Co., Ltd.: 100%	Laox Co., Ltd.: 100%

4. Status after the merger

Name	Mode Et Jacomo Co., Ltd.
Location	2-7-17 Shiba, Minato-ku, Tokyo
Name of representative	Yoko Yamazaki
Type of business	Manufacture, processing, sale, etc. of ladies' shoes and fabric and leather products
Capital	30 million yen
Number of shares outstanding	6,000
Fiscal year end	December 31
Major shareholders and shareholding ratios	Laox Co., Ltd.: 100%

5. Future prospects

This is a merger between consolidated subsidiaries, and its impact on the consolidated financial results will therefore be negligible.