



September 22, 2017

Press Release

Company name: Laox Co., Ltd.
Representative: Yiwen Luo, President and
Representative Director
(Code number: 8202 TSE2)
Contact: Atsushi Matsuzawa General Manager
of the Corporate
Planning Division
(Tel: 03-6852-8880)

**Notice Regarding the Acquisition of the Stock of the Ogitsu Co., Ltd. group
(to make it Laox's subsidiaries)**

Laox Co., Ltd. decided to acquire the stock of Ogitsu Co., Ltd. and Kouwa Sogyo Co., Ltd., making the Ogitsu group our subsidiaries, at the meeting of the board of directors on September 22nd, 2017. The details are as follows.

1. The reason for the stock acquisition

We have been striving to deliver to the world excellent products made in Japan and the renowned spirit of Japanese hospitality in an effort to spread “Japan Quality Life” worldwide. Quality clothes, shoes and apparel accessories made in Japan are becoming more and more popular among foreign tourists visiting Japan, arousing renewed interest from Japanese customers as well, which has resulted in a scarcity of those products. In 2015, we acquired the stock of Mode Et Giacomo Co., Ltd. in the fashion industry and made it a subsidiary. Also, in 2016, a Laox subsidiary bought the business of Shin-Ei Corporation, also in the fashion industry, and Shinko Seika Kogyo Co., Ltd., a women’s shoe maker, consequently acquiring these subsidiaries in July 2017.

Ogitsu Co., Ltd. owns original brands, including “ing” and “Pitti”, and manufactures shoes of famous brands under license. Especially noteworthy is “ing”, which won nine awards during the period from 2006 to 2016, including Best Seller's awards in Department Store Buyers Award, organized by a leading fashion trade newspaper. “ing” is one of the top brands in women’s shoes with high name recognition and popularity.

We believe we will be able to further improve our product selection and customer satisfaction by acquiring the stock of Ogitsu Co., Ltd. group. Also, we expect to achieve a synergy effect between the newly acquired companies and our existing fashion business in terms of manufacturing, logistics and overall efficiency improvement. All of which should help us spread “Japan Quality Life” the world over – our corporate mission -, as well as solidify our position in, and breathe fresh air into, the women’s shoe industry.

2. Profiles of the companies to be acquired

① Okitsu Co., Ltd.

(1)	N a m e	Ogitsu Co., Ltd.		
(2)	L o c a t i o n	1-6-4 Kiyokawa Taito-ku Tokyo		
(3)	Representative’s Title & Name	Title: President and Representative Director Name : Hirokazu Ogitsu		
(4)	Business Description	Design & wholesale of women’s shoes and leather products		
(5)	Capital	¥90,000,000		
(6)	Date of Establishment	May 19 th , 1952		
(7)	Major Stockholders & Share of Stocks	Ogitsu Sogyo Co., Ltd. (※)	28.9%	※Kowa Sogyo Co., Ltd.’s subsidiary
		Kowa Sogyo Co., Ltd.	26.6%	
		Ogitsu Logistics		
		Center Co. Ltd.(※)	19.7%	※Kowa Sogyo Co., Ltd.’s subsidiary
		Employee Stockholding Association	14.6%	
		6 individual stockholders	5.3%	
		Mizuho Bank	5.0%	
(8)	Relations with the Listed C o m p a n y	Capital Relations	There is none	
		Human Relations	There is none	
		Business Relations	There is none	
(9)	The company’s business results and financial conditions in the last 3 years			
	Fiscal Year	FY ending Dec. 2014	FY ending Dec. 2015	FY ending Dec. 2016
	Net assets	¥5,924 million	¥6,063 million	¥4,285 million
	Gross assets	¥14,173 million	¥14,105 million	¥12,545 million
	Net assets per share	¥96,326.72	¥98,583.97	¥69,675.70
	Sales	¥10,254 million	¥9,521 million	¥8,055 million
	Operating profit	¥239 million	¥45 million	(¥819 million)
	Ordinary profit	¥273 million	¥102 million	(¥747 million)

Current net profit that belongs to the parent company stockholder	¥166 million	¥142 million	(¥1,775 million)
Current net profit per share	¥2,692.22	¥2,307.25	(¥28,858.27)
Dividend per share	¥100.00	¥50.00	¥50.00

②Kowa Sogyo Co., Ltd.

(1) N a m e	Kowa Sogyo Co., Ltd.		
(2) L o c a t i o n	1-14-3 Asakusa Daito-ku Tokyo		
(3) Representative's Title & Name	Title: President and Representative Director Name : Teruko Ogitsu		
(4) B u s i n e s s Description	Administration of the systems in the group companies		
(5) C a p i t a l	¥ 10,000,000		
(6) D a t e o f Establishment	September 20 th , 1982		
(7) M a j o r Stockholders & Share of Stocks	Employee Stockholding Association 42.9% 4 individual stockholders 57.1%		
(8) Relations with the Listed Company	Capital Relations	There is none	
	Human Relations	There is none	
	Business Relations	There is none	
(9) The company's business results and financial conditions in the last 3 years			
Fiscal Year	FY ending Dec. 2014	FY ending Dec. 2015	FY ending Dec. 2016
Net assets	¥398 million	¥405 million	¥397 million
Gross assets	¥1,329 million	¥1,333 million	¥1,333 million
Net Assets per share	¥28,449.01	¥28,933.62	¥28,369.84
Sales	¥57 million	¥57 million	¥59 million
Operating profit	¥23 million	¥15 million	¥13 million
Ordinary profit	¥19 million	¥9 million	¥4 million
Current net profit that belongs to the parent company stockholder	¥15 million	¥7 million	(¥7 million)
Current net profit per	¥1,048.91	¥534.62	(¥513.78)

share			
Dividend per share	¥50.00	¥50.00	¥50.00

3. Profiles of the parties whose stock we will acquire

① Ogitsu Co., Ltd.

(1) Names	Individual stockholders & Employee stockholding association
(2) Relations with the listed company	There is no capital, human or business relations to disclose between us and the persons

② Kowasogyo Co., Ltd.

(1) Names	Individual stockholders & Employee stockholding association
(2) Relations with the listed company	There is no capital, human or business relations to disclose between us and the persons

4. The number of stocks to be acquired and the changes in stockholding before and after the acquisition

① Ogitsu Co., Ltd.

	The number of stocks (the number and share of voting rights)		
	Directly owned	Indirectly owned	total
(1) Stocks owned before the transfer	Stocks: 0 (voting rights: 0, share of voting rights: 0%)		
(2) Stocks to be acquired	12,200 stocks (12,200 voting rights)	46,226 stocks (46,226 voting rights)	58,426 stocks (58,426 voting rights / share of voting rights : 95%)
(3) Stocks owned after the transfer	12,200 stocks (12,200 voting rights / share of voting rights : 19.84%)	46,226 stocks (46,226 voting rights / share of voting rights : 75.16%)	58,426 stocks (58,426 voting rights / share of voting rights : 95%)

Kowa Sogyo Co., Ltd. owns 100% of the stocks of both Ogitsu Sogyo Co., Ltd. & Ogitsu Lotistics Center Co., Ltd.

② Kowa Sogyo Co., Ltd.

(1) Stocks owned before the transfer	Stocks: 0 (voting rights: 0, share of voting rights: 0%)
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(2)	Stocks to be acquired	14,000 stocks (14,000 voting rights)
(3)	Stocks owned after the transfer	14,000 stocks (14,000 voting rights / share of voting rights : 100%)

Under the confidentiality agreement between us and the other party, the acquisition price will not be disclosed.

5. Schedule

(1)	Date of the board of directors' decision	September 22 nd , 2017
(2)	Date of the contract conclusion	September 22 nd , 2017
(3)	Date of execution of the stock transfer	October 6 th , 2017 (planned)

6. Future outlook

Possible effects of the acquisition on our consolidated business results in the fiscal year ending in December 2017 are now under examination. In case the acquisition has any significant effect that should be disclosed, we will promptly announce it.