



August 31, 2017

Laox Co., Ltd.

Notification Regarding Purchase of Bonds with Stock Warrants and Stock Warrants Issued by Yamatoyashiki Co., Ltd.

Laox Co., Ltd. (headquartered in Minato Ward, Tokyo/Representative Director and President LuoYiwen/security code 8202, hereinafter referred to as “we”) decided to purchase the bonds with stock warrants and stock warrants issued by Yamatoyashiki Co., Ltd., hereinafter referred to “the bonds with stock warrants and stock warrants” , at today’s meeting of the board of directors.

We have been expanding the field of activity from the existing retail business to meet the diversifying consumer needs, serving consumers of experience as well as consumers of goods. In July this year, we opened Chiba Port Square Port Town, a commercial complex intended to invigorate the inbound market and local economy at once, offering both excellent products and exquisite experience from eating and drinking to a variety of activities that attract local residents as well as foreign tourists.

Yamatoyashiki Co., Ltd. operates department stores in Himeji city and Kakogawa city, both in Hyogo prefecture. The Himeji store has long enjoyed loyal patronage from local shoppers since it opened in the 1950s. The Kakogawa store opened in 2001 and has obtained firm support as one of the few general shopping centers in the area.

Himeji Castle in Himeji city, Hyogo prefecture, was registered as a UNESCO world heritage site in 1993. In 2016, the castle was visited by 2,110,000 people including 365,000 foreigners, the highest number ever and an increase of 19.2% from the previous year. Foreign tourists are visiting more and more diverse areas in Japan, and Himeji, with good access from an international airport, is one of the cities expected to enjoy a robust inbound demand.

Starting with the purchase of the bonds with stock warrants and stock warrants, we will enter a business partnership with Yamatoyashiki, such as providing our products including electric home appliances and women’s shoes. We are also planning to renovate Yamatoyashiki stores to deal with the shift from “consumption of goods” to “consumption of experience” and welcome inbound customers who are increasingly traveling outlying cities in Japan. We will take this opportunity to expand into the business of developing a new type of commercial facilities in a bid to achieve our goals of simultaneously energizing the inbound market and local economies as well as serving both customers of goods and customers of experience.

1. Details of the purchase of the bonds with stock warrants and stock warrants

(1)	Date of purchase	August 31, 2017
(2)	Amount of purchase of the bonds	¥ 300,000,000
(3)	Interest rate & Maturity date	Interest rate: 0.1% per year Maturity date: August 31, 2020
(4)	Amount of stock warrants	¥400,000,000 worth stock warrants in addition to ¥300,000,000 worth bonds with stock warrants

2. Profile of the company that issued the bonds

(1)	N a m e	Yamatoyashiki Co., Ltd.
(2)	L o c a t i o n	55 Nikaimacjhi Himeji-shi Hyogo
(3)	Representative's title and name	Representative director Keizo Hayase
(4)	Business description	Operation of department stores (Yamatoyashiki Himeji Main Store, Kakogawa Store, et al.)
(5)	C a p i t a l	¥655,000,000. (as of the end of February, 2017)
(6)	Date of foundation	March 28, 1947
(7)	Number of outstanding stocks	2,610,800 (as of the end of February, 2017)
(8)	End of the fiscal year	End of February
(9)	Number of employees	191 (as of the end of February, 2017)
(10)	Stock holders and share of stocks	mtmyy limited liability company: 1,743,000 stocks (66.8%) mtmyy2 limited liability company: 717,800 stocks (27.5%) Yamatoyashiki retailing Co., Ltd.: 150,000 stocks (5.7%)

(For reference) Number of stocks held and ratio of voting rights when preferred stocks issued by Yamatoyashiki Co., Ltd. are converted into common stocks and all stock warrants are exercised

	Stocks held	Ratio of voting rights
L a o x C o . , L T D .	22,580,642 stocks	79.6%
mtmyy limited liability company	3,822,000 stocks	13.5%
mtmyy2 limited liability company	1,823,000 stocks	6.4%
Yamatoyashiki Retailing Co., LTD.	150,000 stocks	0.5%

«Contact for information regarding this announcement»

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