



January 9<sup>th</sup> 2018

Laox Co., Ltd.

## Notice Regarding the Acquisition of the Stock of SAP Corporation

Laox Co., Ltd. (headquartered in Minato Ward, Tokyo/Representative Director and President LuoYiwen/security code 8202, hereinafter referred to as “we”) completed a stock transfer to acquire 100% of the stock of SAP Corporation and make it a subsidiary.

Our group has been striving to meet diversifying consumer needs by creating a new business model to cater to so-called consumption of experience as well as consumption of goods. In December 2017, we successfully introduced to the Kanto region -GEAR-, a non-verbal theater play extremely popular in Kyoto, as -GEAR- East Version, which was also the inaugural event for Chiba Port Theater in Chiba Port square.

SAP Corporation has been in the business of operating and managing cultural events such as Japanese traditional performing arts, popular music, animation songs and others, mainly at cultural heritage sites including some of the World Heritage Sites. SAP plans and holds some of these events on its own initiative: others are co-hosted by SAP and local governments while SAP is commissioned from local governments to manage still others. The latter two show that SAP fills the needs of local governments that hope to stimulate the local economy by holding events at cultural heritage sites. In Europe, particularly France, there are many so-called “cultural festivals”, in which tourists can enjoy various events at cultural heritage sites in conjunction with nearby sightseeing spots. These events bring great benefits to local economies, and we expect them to bring the same positive economic effects in Japan.

According to the consumption trend survey for foreigners visiting Japan published by Japan Tourism Agency, only 3% of the total foreign tourist expenditure was spent on entertainment in 2016. With an increasing number of foreigners coming to the country, the Japanese government aims to create attractive tourist areas utilizing local characteristics and unique tourism resources to develop tourism into a mainstay in the country’s economy (Tourism-based Country Promotion Basic Act). Also, the draft budget request from the Agency for Cultural Affairs for FY 2018 is ¥125.1 billion, representing a year-on-year increase of 20%. The request contains measures for building up areas that can send out cultural and artistic messages to the world, such as steps to increase foreign tourists and to support utilization of cultural heritage. We believe the Japanese government will further pursue such a strategy of fully utilizing cultural heritage to energize local communities.

In addition to -GEAR- East Version that started in December 2017, the acquisition of the stock of SAP Corporation will enable us to achieve synergy effect, offer foreign tourists visiting Japan opportunities to experience and understand Japanese culture, and establish the business of catering to consumption of experience.

■ Profile of SAP Corporation

Company Name: SAP Corporation

Location: 5-3-13 Otsuka, Bunkyo-ku, Tokyo

Representative Director: Representative Director Yujiro Arikawa

Business Description: Operation and management of cultural events, including concerts, at cultural heritage sites

URL : <http://www.sap-co.jp/>

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