



February 14<sup>th</sup> 2018

Laox Co., Ltd.

## Announcement of a partnership with Locondo, Inc.

Laox Co., Ltd. (headquartered in Minato Ward, Tokyo/Representative Director and President LuoYiwen/security code 8202, hereinafter referred to as “we”) has signed a partnership agreement (hereinafter referred to as “the Agreement”) with Locondo, Inc. (headquartered in Shibuya Ward, Tokyo/Representative Director and President Yusuke Tanaka/security code 3558, hereinafter referred to as Locondo) today.

The third midterm management plan we are now compiling sets out the goal of increasing our corporate value by meeting diversifying customer needs. In an effort to accomplish that objective, especially in the life and fashion business, we have achieved vertical integration centered around two subsidiaries, Mode Et Giacomo Co., Ltd. and Ogitsu Co., Ltd., two of the largest women’s shoe maker-wholesalers in Japan. We will improve the profit structure and disrupt conventional business models. Also, in addition to physical retail outlets mainly in department stores, we will boost E-commerce business in a bid to build up omni-channel marketing capabilities.

Locondo has been blazing a trail in the fashion E-commerce industry under the banner of “Innovation to the Industry, Freedom to the Customers”. Its online shopping site, LOCONDO.jp, lets potential customers try on, and even return, its shoes and other fashion items without any fee. The growth potential of such a business model has been proven in the global market by the successes of Zappos (USA) and Zalando (Europe), both of which have sales of over 100 billion yen. Locondo has also entered into the platform business, taking advantage of the IT and logistic infrastructure it has created for its E-commerce business.

We expect to expand our online sales by marketing the shoes, bags and other products we handle in our life and fashion business through Locondo’s E-commerce channels. Locondo’s expertise in IT, logistics infrastructure, platform business and E-commerce will greatly help us create an omni-channel business model. On the other hand, Locondo also expects to expand its online business by enriching its product lineup through a stable supply of quality fashion items from the Laox group, centered around women’s shoes. Furthermore, the Laox group’s use of Locondo’s platform service is expected to provide momentum to its growth. Laox and Locondo signed the Agreement based on these potentially substantial synergy effects.

Furthermore, in our life and fashion business, while continuing to strive to increase sales of women’s shoes at our existing physical stores, we plan to raise the ratio of online sales to 30% in 2020 in part through collaboration with Locondo.

Profile of Locondo Inc.

Company Name: Locondo Inc.

Location: 30-13 Motoyoyogicho, Shibuya-ku, Tokyo

Representative: Representative Director Yusuke Tanaka

Business Description: Management of E-commerce sites, E-commerce related platform

Month of Establishment: October 2010

Capital: 1.1 billion yen

URL : <https://www.locondo.jp/>

#### Contents of the Agreement

Locondo offers following services to the Laox group on a consignment basis

- (1) BOEM (Management of E-commerce sites)
- (2) e-3PL (Management of shipment to stores)
- (3) LOCOCHOC (Stock-out management)
- (4) LOCOPOS (Real time store inventory management)

Laox offers following products and sales channels to Locondo

- (1) Shoes, bags and other products the Laox group sells
- (2) Private Brand products planned and developed for selling at Locondo sites
- (3) BtoB sales channels
- (4) Cross-border E-commerce channels owned by the Laox group

« Contact for information regarding this announcement »  
Corporate Planning Division, Laox Co., Ltd. TEL 03-6852-8881