



March 26, 2018

Press Release

Company name: Laox Co., Ltd.
Representative: President and Representative Director Yiwen Luo
(Code number: 8202 TSE2)
Contact: General Manager of the Corporate Planning Division
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**Notice Regarding the Acquisition of Shares of L Capital Tokyo Co., Ltd. and Shaddy Co., Ltd.
to make them Laox's subsidiaries**

We resolved at the board meeting held on March 26, 2018 to acquire shares of L. Capital Tokyo Co., Ltd. (hereinafter referred to as L. Capital Tokyo), and through L. Capital Tokyo, acquire shares of Shaddy Co., Ltd. (hereinafter referred to Shaddy).

1. The reason for the acquisition of shares

With an eye toward creating what we call “Global Life Style” (or Borderless Society), we have been striving to better serve both the consumption of goods and the consumption of experience by improving and expanding our products and services. Through acquisition of L. Capital Tokyo and Shady, we expect to enhance our merchandising capability centered around household products made in Japan and attract new clientele.

Today we signed a share purchase agreement, under which we shall purchase ¥1,204 million worth of shares (24,090 shares, or approximately 60% of all the shares) of L Capital Tokyo which owns 100% of the shares of Shaddy by underwriting capital increase through third party allotment. L Capital Tokyo was founded solely by Locondo Inc. with the purpose of acquiring 100% of the shares of Shaddy. Thus, by underwriting L Capital Tokyo's capital increase through third part allotment, we shall make Shaddy a subsidiary. Under this arrangement, Locondo Inc. retains approximately 40% of the L Capital TOKYO so that Locondo shall contribute to expanding Ecommerce and streamlining logistics.

The subsidiary acquisition is subject to notification acceptance by the Fair Trade Commission.

2. Profile of the subsidiary to be acquired (L Capital Tokyo)

(1) Company Name	L Capital TOKYO Co., Ltd.
(2) Location	30-13 Motoyoyogicho, Shibuya-ku, Tokyo
(3) Name and Title of the	President and Representative Director Yusuke Tanaka

	Representative	
(4)	Business Description	investment
(5)	Capital	1,003 million yen
(6)	Date of Establishment	March 12, 2018
(7)	Total Assets	2,007 million yen
(8)	Major Shareholders and Their Share Holding Ratios	Laox Co., Ltd.: 60% Locondo Inc.: 40%
(9)	Relations with the Listed Company	Capital Relations
		Personnel Relations
		Business Relations
		L Capital Tokyo will become a consolidated subsidiary 60% owned by Laox.
		Laox employees are expected to be appointed as directors of the consolidated subsidiary, the details of which are to be determined.
		The consolidated subsidiary will engage in selling general household products et al. in Laox's Life & Fashion Business Group.

(note 1) Figures in (5) (7) (8) represent expected numbers after completion of capital increase.

3. Profile of the subsidiary to be acquired (Shaddy)

(1)	Company Name	Shaddy Co., Ltd.
(2)	Location	6-1-11 Shinbashi, Minato-ku, Tokyo
(3)	Name and Title of the Representative	President and Representative Director Akiyoshi Ihara
(4)	Business Description	Retail and Wholesale of Gift Items
(5)	Capital	3,445 million yen
(6)	Date of Establishment	February 1, 1962
(7)	Major Shareholders and Their Share Holding Ratios	L Capital TOKYO Co., Ltd. 100%
(8)	Relations with the Listed Company	Capital Relations
		Personnel Relations
		Business Relations
		There is none.
		There is none.
		There is none.
(9)	The subsidiary's consolidated business results and consolidated financial conditions in the last 3 financial years	

Financial Years	FY ending Dec. 2014	FY ending Dec. 2015	FY ending Feb. 2017
Consolidated Net Assets	14,540 million yen	14,457 million yen	13,555 million yen
Consolidated Total Assets	43,316 million yen	41,654 million yen	32,600 million yen
Consolidated Net Assets per Share	145,404,005 yen	144,575,339 yen	135,555,927 yen
Consolidated Sales	57,400 million yen	68,204 million yen	70,661 million yen
Consolidated Operating Profit	870 million yen	△135 million yen	△857 million yen
Consolidated Ordinary Profit	853 million yen	△161 million yen	△731 million yen
Current Net Income belonging to Parent Company Shareholders	807 million yen	△78 million yen	△903 million yen
Consolidated Current Net Income per Share	8,072,919 yen	△787,520 yen	△9,030,803 yen
Dividend per Share	—	—	—

(note 1) (7) represents an expected major shareholder and its share.

(note2) There was a change in the settlement period in the FY ending February 2017, and it represents 14 months from January 2016 to February 2017.

4. Number of acquired shares, acquisition cost, and conditions before and after acquisition (Shaddy Co., Ltd.)

(1) Number of shares owned before acquisition	0 shares (number of voting rights : 0) (share of voting rights : 0%)
(2) Number of shares acquired	100 shares (number of voting rights:100)
(3) Acquisition cost	2,000 million yen for the shares
(4) Number of shares owned after acquisition	100 shares (number of voting rights:100) (share of voting rights : 100%)

5. Schedule

(1) Date of the Board's Resolution	March 26, 2018
(2) Date of Agreement	March 26, 2018
(3) Date of Transfer of Shares	April 27, 2018 (scheduled)

6. Future prospect

Impact of the subsidiary acquisition on our consolidate business results is now under examination. In case we need to revise the expected consolidated business results for FY 2018 published on February 14, 2018, it will be immediately

notified.