



Apr. 3, 2018

Press Release

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Representative: President and Representative
Director Yiwen Luo
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Notice Regarding Partial Changes in Use of Funds Pertaining to Issuance of New Shares, etc.

The Company has decided to make partial changes in conjunction with the issuance of new shares and sale of the Company's shares (hereinafter collectively called "the Public Offering") disclosed in the "Notice Regarding Issuance and Sale of New Shares and Issuance of Third Series of Stock Acquisition Rights through Third-Party Allotment" announced on March 9, 2015, the "Notice Regarding Determination of Issuance Price and Selling Price of Shares, etc. and Finalization of Issuance Price and Initial Exercise Price for Stock Acquisition Rights" announced on March 16, 2015, and the "Notice Regarding Finalization of Number of Shares to be Issued through Third-Party Allotment" announced on April 17, 2015, as well as the subsequent "Notice Regarding Partial Changes in Use of Funds Pertaining to Issuance of New Shares. etc." announced on February 14, 2018. Details are as follows.

1. Reason for the change

As disclosed today in Notice Regarding Cancellation of Share Options, the exercise period for the third series of stock acquisition rights has elapsed. Also, the Company has come to the conclusion that it needs to invest in new business segments in order to implement the Third Medium Term Management Plan announced on February 14, 2018 in Notice Regarding Formulation of Medium-Term Management Plan. Consequently, the Company has revised the use of funds.

2. Details of the change

Changes in the use of funds disclosed in Public Offering are as follows.

(Note) The underlined entries indicate where changes were made.

[Before the change]

With regard to the rough total amount of 29,208,795,000 received by way of the public offering and third-party allotment, 2,621,343,186 yen will be allocated for an investment in the establishment of a joint venture to acquire and operate the Chiba Port Square by the end of February 2016, and 26,587,451,814 yen will be allocated as part of capital investment funds for the opening of new stores and renovation of existing stores under the plan of establishing the network

of tax-free stores during the period from March 2015 until the end of December 2020.

The following table shows the Company's capital spending plan as of February 14th, 2018 (as of December 31st, 2017 for amounts that have already been paid).

Office location Number of stores	Measures for store development	Investment to be made		Financing method	Expected date of commencement and completion		Total floor area after completion (m ²)
		Total amount (million yen)	Amount already paid (million yen)		Commencement	Completion	
Akihabara Main Store (Chiyoda-ku, Tokyo)	Renovation	104	104	Funds for additional investments	Feb. 2016 – Jul. 2017	Jul. 2017	4,019
Osaka Nippombashi Store (Osaka-shi, Osaka)	Renovation	607	607	Funds for additional investments	Feb. 2016	Mar. 2017	710
Akihabara AsoBitCity (Chiyoda-ku, Tokyo)	Renovation	778	778	Funds for additional investments	Mar. 2015	Feb. 2016	1,377
Canal City Hakata Store (Fukuoka-shi Fukuoka)	Renovation	683	683	Funds for additional investments	Mar. 2015	May. 2017	4,534
Osaka Dotonbori Ebisubashi Store (Osaka-shi, Osaka)	Renovation and floor expansion	256	256	Funds for additional investments	Jan. 2015	May. 2015	1,147
Shinjuku East-exit Store (Shinjuku-ku, Tokyo)	Renovation	16	16	Funds for additional investments	Mar. 2016 - Sep. 2017	Sep. 2017	1,074
Okinawa Ashibina Store (Tomigusuku-shi, Okinawa)	Renovation	2	2	Funds for additional investments	Jul. 2015	Jul. 2015	419
Ginza Store (Chuo-ku Tokyo)	Land acquisition and new opening	15,023	-	Own funds, borrowings, funds raised through the issuance and exercise of the stock acquisition rights	Mar. 2018 - Dec. 2019	Mar. 2018 - Dec. 2019	2,248
Daimaru Shinsaibashi Store (Osaka-shi Osaka)	New opening	1,920	1,920	Funds for additional investments	Nov. 2015	Jul. 2016	3,892
Ginza EXITMELSA (Chuo-ku, Tokyo)	New opening	1,378	1,378	Funds for additional investments	Jun. 2015	Nov. 2015	1,583
Shinjuku Main Store (Shinjuku-ku, Tokyo)	New opening	1,524	1,524	Funds for additional investments	Jan. 2015	Jan. 2016	2,140
Decks Tokyo Beach Daiba Store (Minato-ku, Tokyo)	New opening	637	637	Funds for additional investments	Mar. 2016 - Jun. 2016	Aug. 2016 -	945
Tower City Nagasaki Store (Nagasaki-shi, Nagasaki)	New opening	112	112	Funds for additional investments	Feb. 2015	Oct. 2015	578
Marinoa City Fukuoka Store (Fukuoka-shi Fukuoka)	New opening	427	427	Funds for additional investments	Jul. 2015	Nov. 2015	459
Otaru Canal Store (Otaru-shi Hokkaido)	New opening	149	149	Funds for additional investments	Mar. 2015	Mar. 2015	419
Hakodate Red Brick Store (Hakodate-shi, Hokkaido)	New opening	148	148	Funds for additional investments	Mar. 2015	Jun. 2015	169
Nikko Toshogu Store (Nikko-shi, Tochigi)	New opening	100	100	Funds for additional investments	Jul. 2015	Nov. 2015	435
Shinsaibashisuji Store (Osaka-shi, Osaka)	New opening	576	576	Funds for additional investments	Aug. 2015	Oct. 2015	776
Nagoya MARUEI Store (Nagoya-shi, Aichi)	New opening	738	738	Funds for additional investments	Jan. 2016	Apr. 2016	1,757
Kyoto Marui Store (Kyoto-shi, Kyoto)	New opening	722	722	Funds for additional investments	Jan. 2016	May. 2016	1,426
9 stores in Hokkaido/Tohoku (Hokkaido, Miyagi)	New opening and renovation	2,000	1,218	Own funds, borrowings, funds for additional investments	Jan. 2016 - Dec. 2020	Jan. 2016 - Dec. 2020	6,481
12 stores in Kanto (Tokyo, Chiba, Kanagawa, Ibaraki, Tochigi)	New opening and floor expansion	5,975	1,414	Own funds, borrowings, funds for additional investments, funds raised through the issuance and exercise of the stock acquisition rights	Jan. 2016 - Dec. 2020	Jan. 2016 - Dec. 2020	9,872
4 stores in Chubu (Aichi, Shizuoka, Nagano, Gifu)	New opening	1,876	-	Own funds, borrowings, funds raised through the issuance and exercise of the stock acquisition rights	Jan. 2018 - Dec. 2020	Jan. 2018 - Dec. 2020	2,083
13 stores in Kinki (Osaka, Kyoto, Hyogo)	New opening	4,793	3,217	Own funds, borrowings, funds for additional investments, funds raised through the issuance and exercise of the stock acquisition rights	Jan. 2016 - Dec. 2020	Jan. 2016 - Dec. 2020	11,763
10 stores in Kyushu (Okinawa, Fukuoka, Saga, Oita)	Land acquisition and new opening	2,265	1,433	Own funds, borrowings, funds for additional investments, funds raised through the issuance and exercise of the stock acquisition rights	Jan. 2016 - Dec. 2020	Jan. 2016 - Dec. 2020	6,089
Total		42,809	18,159				66,395

Own funds, borrowings, funds for additional investments

[After the change]

With regard to the rough total amount of 29,208,795,000 received by way of the public offering and third-party allotment, 2,621,343,186 yen will be allocated for an investment in the establishment of a joint venture to acquire and operate the Chiba Port Square by the end of February 2016, 3,000,000,000 yen will be allocated for investment and financing for L Capital Tokyo Co., Ltd. and Shaddy Co., Ltd., which are scheduled to become our consolidated subsidiaries in order to expand our Life & Fashion Business, 1,200,000,000 yen will be allocated for investment and financing for commercial complexes in order to expand our Shopping Center Development Business. 1,000,000,000 yen will be allocated for investment and financing for the establishment of subsidiaries in China and business partnerships during the period from January 2018 until December 2032 and 21,387,451,814 yen will be allocated as part of capital investment funds for the opening of new stores and renovation of existing stores under the plan of establishing the network of tax-free stores during the period from March 2015 until the end of December 2020.

The following table shows the Company's capital spending plan as of April 3, 2018 (as of December 31, 2017 for amounts that have been already paid).

Office location Number of stores	Measures for store development	Investment to be made		Financing method	Expected date of commencement and completion		Total floor area after completion (m ²)
		Total amount (million yen)	Amount already paid (million yen)		Commencement	Completion	
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Akihabara AsoBitCity (Chiyoda-ku, Tokyo)	Renovation	778	778	Funds for additional investments	Mar. 2015	Feb. 2016	1,377
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Shinjuku East Exit Store (Shinjuku-ku, Tokyo)	Renovation	16	16	Funds for additional investments	Mar. 2016 - Sep. 2017	Sep. 2017	1,074
Okinawa Ashibina Store (Tomigusuku-shi, Okinawa)	Renovation	2	2	Funds for additional investments	Jul. 2015	Jul. 2015	419
Daimaru Shinsaibashi Store (Osaka-shi Osaka)	New opening	1,920	1,920	Funds for additional investments	Nov. 2015	Jul. 2016	3,892
Ginza EXITMELSA (Chuo-ku, Tokyo)	New opening	1,378	1,378	Funds for additional investments	Jun. 2015	Nov. 2015	1,583
Shinjuku Main Store (Shinjuku-ku, Tokyo)	New opening	1,524	1,524	Funds for additional investments	Jan. 2015	Jan. 2016	2,140
<u>Decks Tokyo Beach Daiba</u> Store (Minato-ku, Tokyo)	New opening	637	637	Funds for additional investments	Mar. 2016 - Jun. 2016	Aug. 2016	945
Tower City Nagasaki Store (Nagasaki-shi, Nagasaki)	New opening	112	112	Funds for additional investments	Feb. 2015	Oct. 2015	578
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Nagoya MARUEI Store (Nagoya-shi, Aichi)	New opening	738	738	Funds for additional investments	Jan. 2016	Apr. 2016	1,757
Kyoto Marui Store (Kyoto-shi, Kyoto)	New opening	722	722	Funds for additional investments	Jan. 2016	May. 2016	1,426
9 stores in Hokkaido/Tohoku (Hokkaido, Miyagi)	New opening and renovation	<u>1,619</u>	1,218	Own funds, borrowings, funds for additional investments	Jan. 2016 - Dec. 2020	Jan. 2016 - Dec. 2020	<u>5,281</u>

12 stores in Kanto (Tokyo, Chiba, Kanagawa, Ibaraki, Tochigi)	New opening and floor expansion	<u>5,637</u>	1,414	Own funds, borrowings, funds for additional investments,	Jan. 2016 - Dec. 2020	Jan. 2016 - Dec. 2020	<u>8,672</u>
4 stores in Chubu (Aichi, Shizuoka, Nagano, Gifu)	New opening	<u>500</u>	—	Own funds, borrowings, funds for additional investments,	Jan. 2018 - Dec. 2020	Jan. 2018 - Dec. 2020	<u>1,883</u>
13 stores in Kinki (Osaka, Kyoto, Hyogo)	New opening	<u>3,344</u>	3,217	Own funds, borrowings, funds for additional investments	Jan. 2016 - Dec. 2020	Jan. 2016 - Dec. 2020	<u>11,163</u>
10 stores in Kyushu (Okinawa, Fukuoka, Saga, Oita)	Land acquisition and new opening	<u>3,032</u>	1,433	Own funds, borrowings, funds for additional investments	Jan. 2016 - Dec. 2020	Jan. 2016 - Dec. 2020	6,089
Total		<u>25,009</u>	18,159				<u>63,195</u>

3. Impact on the future outlook

The impact of the change on the Company's business performances is immaterial.