

**Notice of the start of “advance shopping” service at Wusongkou Cruise International Terminal in Shanghai**

Laox Co., Ltd. (headquartered in Minato Ward, Tokyo/Representative Director and President LuoYiwen/security code 8202, hereinafter referred to as “we”) has been striving to promote high quality Japanese products and service. In such an effort, we have operated a showroom within Wusongkou International Cruise Terminal in Shanghai, the largest cruise ship terminal in China, since May 2016 as the only licensee to offer service within the terminal in partnership with Shanghai Wusongkou International Cruise Terminal Development Co., Ltd., the administrator of the terminal. To pursue the effort further, we have now started “advance shopping” service that enables cruise ship customers to shop ahead of their departure to Japan, introducing the advance payment system of Ctrip Financial Service(Hong Kong)Limited (Ctrip FS), a company within the Ctrip group, the largest online travel agency in China.

With “advance shopping”, customers can select, reserve, and even pay for products during the boarding procedure. They can hold and try samples of popular items such as Japanese cosmetics and electric home appliances at our showroom, then reserve the ones they like the most and make the payment online. After arriving in Japan, they can pick up the reserved items at one of our stores or the port. Cruise ship tourists have only a limited amount of time to stay in Japan. By making good use of their idle time before boarding with “advance shopping”, they can enjoy precious extra time in Japan.

More and more cruise ships have been visiting Japan. In 2017, they visited the country 2,764 times, a year-on-year increase of 37.0%, and 2,529,000 tourists arrived aboard a cruise ship, a year-on-year increase of 27.0%, both representing record highs. The Japanese government is taking various measures to achieve its goal of welcoming 5 million cruise ship tourists by 2020 and a report on the sustained development of the cruise ship industry from The Ministry of Transport (MOT) of the Government of the People's Republic of China expects the number of cruise ship tourists from the country to increase by 33% per year on average to reach 4.5 million by 2020. Considering all these circumstances, we expect the cruise ship tourists from China to Japan to increase further. In fact, 466 cruise ships and 2.92 million tourists arrived at or departed from Wusongkou International Cruise Terminal, the largest cruise ship terminal in China in 2017, and a total number of more than 1,600 cruise ships and 10 million tourists have arrived at or departed from the terminal since its opening in October 2011. Our efforts to promote Japanese goods and services in the port have been highly appreciated by the local people and we received an award for our contribution to Shanghai's cruise ship industry from the Shanghai Municipal Government in 2017.

In the future we will strive to increase cruise ship customer traffic, customer satisfaction, and sales by precisely meeting the diversifying needs of foreign tourists visiting Japan.



※Overall view of Wusongkou International Cruise Terminal



※ Some of the samples



※ Some items are on sale

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