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Press Release

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Notice Regarding Amendments to Numerical Targets of the Medium-term Management Plan

Laox Co., Ltd. (the “Company”) hereby announces that a meeting of its Board of Directors held today decided to amend as follows the numerical targets laid down in the third medium-term management plan, which was announced on December 21, 2018. Details of initiatives by segment will be announced as soon as they have been prepared.

1. Numerical targets

Unit: billion yen

	Before amendment		After amendment	
	2019	2020	2019	2020
Net sales	150.0	180.0	150.0	200.0
Operating profit	2.0	4.0	2.0	4.8
Operating margin	1.3%	2.2%	1.3%	2.4%

2. Reasons for the amendment

(Net sales)

Given rapid expansion not only in inbound demand but also in so-called outbound demand (overseas tourists who visited Japan in the past like products they purchased/services they experienced in Japan and make a repeat purchase on e-commerce sites or physical stores in their own countries after returning to their home countries), the Company has been stepping up its efforts to expand the trade/global e-commerce business. Meanwhile, the Company has not changed its approach to inbound demand, its area of strength, continue to position it as an important revenue opportunity.

With regard to the trade/global e-commerce business, with the aim of placing the business on an expansion track at an early stage and establishing a firm revenue base, the Company today announced “Notice Regarding Issuance of New Shares by way of Third-Party Allotment and the 6th Share Acquisition Rights and Conclusion of Commitment Agreement and Change in Major Shareholders and Parent Company.” Through funding by way of the third-party allotment, the Company will strive to achieve the numerical targets in the medium-term management plan. Considering the above situation, the Company expects net sales to rise, and has therefore made an amendment to net sales.

(Operating profit, operating margin)

As mentioned above, the Company expects that operating margin will improve given an increase in the scale of sales of its trade/global e-commerce business. As a result, the Company has decided to amend them.

There will be no change to policies and basic strategies, etc. laid down in the already announced third medium-term management plan.

(Note) The forward-looking statements on the aforementioned numerical targets were prepared based on information available on the date of the announcement of this document. Actual performance/results may differ from the numerical targets or the forecast.