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Press Release

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### Notice of Revision of Business Result Forecasts

Laox Co., Ltd. (the “Company”) announces that, given the recent business developments, it has revised its forecasts for consolidated business results for FY2019 (from January 1 to December 31, 2019), which were announced on February 28, 2019.

#### 1. Revision of the Business Result Forecasts

##### (1) Revision of the Business Result Forecasts for FY2019 (from January 1 to December 31, 2019)

	Net sales	Operating profit	Ordinary profit
	Million yen	Million yen	Million yen
Forecasts previously announced (A)	150,000	2,000	2,000
Latest forecasts (B)	140,000	200	200
Change in amount (B-A)	-10,000	-1,800	-1,800
Change (%)	-6.7%	-90.0%	-90.0%
(Reference) Results for the previous fiscal year (Fiscal year ended December 31, 2018)	117,995	-943	-1,341

(Note) The above results for the previous fiscal year represent figures after retrospective revision.

#### 2. Reasons for the Revision

The main reasons for the downward revision are that expenditures preceded the improvements in profit and operation efficiency in the Life & Fashion Business, one of the core segments of the Laox Group, during the second quarter (from April 1 to June 30, 2019), and that sales of summer items were sluggish due to unusually low summer temperatures in Eastern and Western Japan from mid-June to July. The impact of structural reforms, including the streamlining of distribution centers at Shaddy Co., Ltd., and an increase in temporary sales and administrative expenses such as those for new marketing operations resulted in a lag in sales behind the plan. Results for the third and fourth quarters are expected to be generally in line with the initial forecasts.

The above factors are now likely to cause a gap between the previous forecasts and the results, and the Company thus decided to revise the forecasts.

(Note) The revised forecasts presented above have been developed by the Company based on information available to the Company at the time of the revision. They contain uncertain factors and actual business results may vary from the forecasts presented above.

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