

Laox Group Investor Newsletter FY2019/Q3

October 18th, 2019 (TSE 2nd Section, Code: 8202)



Jul.-Sep., 2019 Company-wide Topics

- Laox decided at the board meeting on Sep. 27th to establish an important division and appoint a director in charge.
We have strategically diversified our business into tax-free retailing, shopping center development, restaurant & entertainment, foreign trade, life & fashion, etc. However, in the future, we will need group-wide merchandising and strategies to make it possible. To that end we newly formed Merchandising Strategy Division.

Topics in Each Segment

■ Inbound Business

- While consumer mind as indicated in the average amount spent by a customer has been affected by recent strong Yen against Yuan, the number of paying customers in the third quarter increased by 7.7% from a year earlier.
- To mark the 10th anniversary since Laox joined the Suning group, we are having “The New Decade Appreciation Sale” (Sep. 20 – Dec.31).

Number of paying customers at Laox tax-free stores in Japan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2018	187,139	209,132	196,732	232,940	216,718	213,117	233,224	235,770	163,747	191,007	184,840	176,707
2019	178,953	180,881	217,117	221,921	213,270	215,472	245,936	246,412	190,621			
YOY change/month	95.6%	86.5%	110.4%	95.3%	98.4%	101.1%	105.5%	104.5%	115.5%			
YOY change/quarter	97.3%			98.2%			107.7%					

■ Global Business

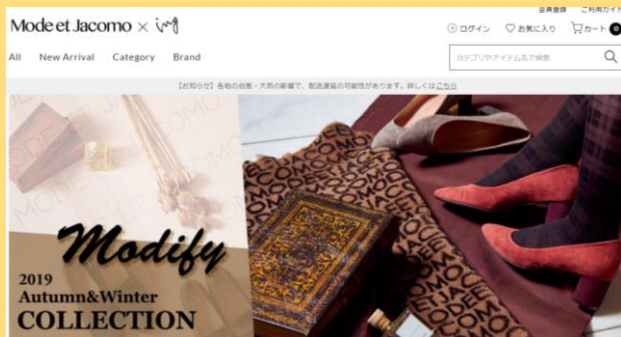
- Laox’s foreign trade business has yielded steady results supported by strong consumer demand in China for made-in-Japan products such as cosmetics, health supplements, etc. We expect to further expand our business by holding events targeted at November 11th, or Double Eleven Singles’ Day.
- Laox’s cross border E-commerce business is also on a firm footing with the sales increasing at our flagship stores on three major E-commerce sites in China, taking advantage of 8.18 Sale and Taobao Maker Festival, a big E-commerce day targeting youth market.
- We are now making preparations to participate in the Chinese International Import Expo to be held from November 5th to 10th in Shanghai. We are going to exhibit products centered around health appliances, health supplements, children’s goods, etc. We will also open Sake Museum in a bid to meet the booming demand for Sake in China, our first such effort.

■ Life & Fashion Business

- In Shaddy, we have had problems such as delay in consolidation of logistics operations and weak results during the summer gift giving season. We are now making every effort to analyze the problems to work out solutions and build up efficient systems to achieve better results in the winter gift giving season.
- Laox's group companies in women's shoe business redesigned and reopened its official DM site (<https://shop.mej.co.jp/>) in June. To mark the occasion, they held special sales in July and September.
- Shaddy also plans to participate in the Chinese International Import Expo under the theme of "courtesy (gift-giving)" and is preparing products to display and designing the booth.



rendering of Laox booth



Official DM site

■ Entertainment Business

- Laox SCD Co., Ltd. has gotten Building Lots and Buildings Transaction License.
- Since the opening of Giant Stadium – Riverwalk Basement Kids' Kingdom, one of the largest indoor theme parks in Kyushu, has stayed in the top ranking (5th in Jul. / 1st in Aug. / 2nd in Sep.) as a family entertainment venue in Kyushu.
- In July we held the 5th Yuki Summer Festival, a regional Bon dance event, at Chiba Port Square Port Town. We also set up a donation box in Chiba Port to support victims of the 15th typhoon of the year. In the future we will further strive to strengthen cooperation with local governments and corporations and contribute to local revitalization.
- We will hold a special party on October 28th to celebrate the 1st anniversary of the opening of New City Club of Tokyo, a members-only restaurant.



5th Yuki Summer Festival

福岡県の家族でおでかけ人気ランキング

2019年8月

週間おでかけ人気ランキング	月間おでかけ人気ランキング
1位-10位	11位-20位
→ 地域変更	九州・沖縄 福岡県 佐賀県 長崎県 熊本県 大分県 沖縄県
→ エリア変更	北九州 (小倉・門司・八幡)・下関 福岡市 (博多・久留米・筑前・原鶴・筑後川 柳川・八女・筑後太宰府・宗像
→ 条件変更	すべての施設 屋内施設 屋外施設 観光スポット

集計期間：2019年8月1日～2019年8月31日

リバチカこども王国 ジャイアントスタジアム

【時間無制限で1日中あてべる♪】九州最大級のク!

幼児 ★★★★★ 3.3 小学生 ★★★★★ 4.0

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地図

利用者満足 注目度UP

Popularity ranking of family entertainment venues in Fukuoka