

Notice of Conclusion of Business Alliance Agreement with Hylink Digital Solutions Co., Ltd. and Establishment of Joint Venture Company

Laox Co., Ltd. (the “Company”) announces that on October 15, 2019, it passed a resolution to enter into the following agreement on a business alliance with Hylink Digital Solutions Co., Ltd. (“Hylink”) of China and establish a joint venture company jointly funded by the Company and Hylink in Japan.

1. Purpose of the business alliance and joint venture

As announced in the release, “Notice of Issuance of New Shares through Third-Party Allotment and Sixth Series of Share Acquisition Rights, Conclusion of Commitment Agreement, and Changes in Parent Company, Subsidiaries and Associates, and Largest Shareholder among the Major Shareholders of Laox Co., Ltd.” dated June 16, 2019, the entire organization of the Laox Group has been stepping up its efforts to expand its global business (trade and cross-border e-commerce mainly targeting the Chinese market).

The alliance partner, Hylink, was founded in Beijing, China, in 1994, began listing its shares on the Shanghai Stock Exchange in 2017, and is currently operating an advertising agency and other businesses on a global scale. It is a large company that is the most competitive in the internet marketing industry in China and provides multifaceted services to its clients around the world. The Company will establish a business alliance and joint venture for the purpose of specifically and promptly developing businesses, such as an advertising agency, to build a new business model using Hylink’s extensive knowledge of internet marketing and its networks. The Company considers that, given the increasing economic and cultural exchange between Japan and China, the ability to provide optimal advice and support for clients both in Japan and China when they enter the market of their partners’ countries will be a unique strength of this joint venture.

2. Overview of the joint venture

Name:	Hylink (Japan) Digital Solution Co., Ltd.
Representative:	Chen Rong
Business:	Advertising agency, and other businesses
Capital:	100 million yen
Date of establishment:	End of October 2019 (plan)
Capital contribution ratio:	60% Hylink and 40% Laox

3. Future outlook

The impact of the establishment of this business alliance and joint venture on the financial results of the Laox Group for the current fiscal year will be negligible. The Company will promptly announce any matter that should be disclosed if one should arise in the future.

Reference: Overview of the alliance partner

Name:	Hylink Digital Solutions Co., Ltd.
Address:	Room 419, 4 th Fl., Bldg. No.3, Courtyard No.5, Shangdi East Road, Haidian District, Beijing, China
Representative:	Su Tong
Business:	Advertising agency, etc.
Capital:	230,060,110 Chinese Yuan
Date of establishment:	June 28, 1994

Fiscal-year end:	December
Net assets:	1,342,929,000 Chinese Yuan (as of December 31, 2018)
Total assets:	6,212,052,000 Chinese Yuan (as of December 31, 2018)

For inquiries about these arrangements, contact
Corporate Planning Department, Laox Co., Ltd.
TEL : 03-6852-8881