

Notice of Establishment of Joint Venture Company Co-funded by Shaddy Co., Ltd. and Laox Shanghai Co., Ltd.

Laox Co., Ltd. (the “Company”) announces that two of its subsidiaries, Shaddy Co., Ltd. (“Shaddy”) and Laox Shanghai Co., Ltd. (“Laox Shanghai”), have established and funded a joint venture company in China.

1. Purpose of the joint venture

The joint venture company was established to promote the custom of gift exchange and generate profit from the new business in China by combining this Japanese gift tradition and the Shaddy’s strengths in gift product development and operation know-how built over the years and Laox Shanghai’s strengths in sales channels and management resources in the Chinese market.

2. Overview of the joint venture

Name: Shanghai Shaddy Cultural Creativity Co., Ltd.

Address: 143-16 Area A, No. 1-17, Lane 575 Gubei East Road, Baoshan District, Shanghai

Representative: Fu Luyong

Business: Planning and sales of gift products

Capital: 15 million Chinese yuan (229.5 million yen) (calculated with the rate of 1 Chinese yuan = 15.3 yen)

Date of establishment: October 22, 2019 (completed registration)

Capital contribution ratio: 70% Shaddy and 30% Laox Shanghai

3. Future outlook

The impact of the establishment of this 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.

For inquiries about these arrangements, contact
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