



March 26, 2021

Press Release

Company name: Laox Co., LTD.
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Board Director
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Matters Concerning Controlling Shareholders, Etc.

Laox Co., LTD. (the “Company”) hereby announces the following matters concerning its controlling shareholders, etc.

1. Trade names, etc. of the parent company, controlling shareholders (excluding the parent company) and other affiliated companies or their parent companies

(As of December 31, 2020)

Name	Attributes	Percentage of voting rights held (%)			Financial instruments exchange, etc. on which issued share certificates, etc. are listed
		Voting rights directly held	Indirectly held voting rights	Total	
Suning Appliance Group Co., Ltd.	Other affiliated companies	–	34.51	34.51	–
Hong Kong Suning Cross-Border E-Commerce Co., Limited	Other affiliated companies	–	34.51	34.51	–
GRANDA GALAXY LIMITED	Other affiliated companies	34.51	–	34.51	–
Suning.com Co., Ltd.	Other affiliated companies	–	30.39	30.39	China Shenzhen Stock Exchange
Suning International Group Co., Ltd.	Other affiliated companies	–	30.39	30.39	–
GRANDA MAGIC LIMITED	Other affiliated companies	30.39	–	30.39	–

2. Of the parent company, etc., the name of a company that is recognized to have the largest impact on the listed company and the reason therefor

(1) Name

Suning Appliance Group Co., Ltd.

(2) Reason

Suning Appliance Group Co., Ltd. (“Suning Appliance”) is the largest shareholder who indirectly holds 34.51% of the voting rights of the Company through its subsidiaries, Hong Kong Suning Cross-Border E-Commerce Co., Limited and GRANDA GALAXY LIMITED. It is the company with the largest impact on the Company because four of the Company’s directors have been dispatched and nominated by Suning Appliance as of today.

3. Positioning of the listed company in the corporate group of the parent company, etc. and relationship between other listed companies and the parent company, etc.

The Company has had a capital and business alliance with Suning.com Co., Ltd. (“Suning.com”) since June 2011 and implemented a capital increase through private placement with subsidiaries of Suning Appliance as the main subscribers in December 2019, with a view mainly toward the expansion of trade and the global e-commerce business. As a result, Suning Appliance has become the largest shareholder. With the goal of further expanding business by increasing synergies with the corporate group of the parent company, etc., the Company is conducting business activities while effectively leveraging its own management resources and those of the other companies.

Based on the alliance described above, the Company has accepted four directors nominated by Suning Appliance as of today to strengthen collaboration and the exchange of management information and expertise with the Suning Group. It has also accepted one director and one corporate auditor from Suning.com.

Despite this acceptance of officers, the Loax Group’s business activities do not heavily rely on transactions with the parent company, etc. and are not subject to special restrictions. In addition, the Company has a policy of developing business activities based on its own management decisions while maintaining a good cooperative relationship with the corporate group of the parent company, etc. and makes decisions on management issues at its own discretion in light of laws, regulations and the articles of incorporation through accurate fact recognition and rational discussions at the Board of Directors meetings under the monitoring function of the Board of Corporate Auditors. In addition, two independent outside directors designated as independent officers pursuant to the provisions of the Exchange are assuming office on the Board of Directors and participate in deliberations at the Board of Directors meetings, so that more diverse opinions can be reflected. We believe that these mechanisms ensure independence from the corporate group of the parent company, etc.

(Status of concurrently serving of officers)

Position	Name	Position at the parent company, etc. or its group companies
Director	Zhang kangyang	Assistant to the President of Suning Holdings Group
Director	Gong Zhenyu	Senior Vice-President of Suning.com Co., Ltd.
Director	Chen Yan	Secretary of the President of Suning Holdings Group
Director	Zhu Qing	General Manager of TMT Business Division of Suning Holdings Group
Director	Ren Xuejin	Senior Secretary of the Board of Suning Holdings Group
Corporate Auditor	Hua Zhisong	Corporate Auditor of Suning.com Co., Ltd.

(Note) The reason all these officers are assuming office is to strengthen collaboration and exchange management information and expertise with the Suning Group.

4. Matters concerning transactions with controlling shareholders, etc.

(Transactions between the Company’s consolidated subsidiaries and controlling shareholders, etc.)

Consolidated fiscal year under review (from January 1, 2020 to December 31, 2020)

Type	Company name or name	Location	Capital or investment in capital	Business summary	Percentage of voting rights held (%)	Relationship with related parties	Details of transaction	Transaction value (million yen)	Item	Balance at end of period (million yen)
Other affiliated companies	Suning.com Co., Ltd.	Jiangsu, China	9,310 million yuan	Home appliances and online sales	Owned Direct -% Indirect 30.4%	Sale of goods	Sale of goods	3,486	Notes receivable	461
									Accounts receivable - trade	526

(Notes) 1. Transaction value does not include consumption taxes, and the balance at end of period includes consumption taxes.

2. Terms of transactions and the policy for determining the terms of transactions

Transaction prices are determined based on contracts through consultation between both parties.

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