

Announcement of Ten-billion-yen* Funding and Strategic Partnership (Capital and Business Alliance) with World Co., Ltd.

Point gift worth 300 million yen will be offered as well!

Lexus Technologies, Co., Ltd.

Lexus Technologies Co., Ltd. (hereafter referred to as "Lexus") is pleased to announce that it has decided to enter into a strategic partnership (capital and business alliance) with World Co., Ltd. (hereafter referred to as "World") today. As a result, Lexus will become a consolidated subsidiary of World.

In addition, in commemoration of this partnership, Lexus will offer a gift point campaign worth 300 million yen.

About Lexus

"Change the world with smile". With this motto as its management vision, Lexus is the first-ever company in the world to lead the dissemination of sharing economy by specializing in the distribution of bags with luxurious brand names and by offering subscription-type rental service by which it lets its customers mutually rent more than 33,000 bags with the monthly subscription fee of 6,800 yen.

Since the launch of its business, Lexus have been expanding its sales and subscriber base with a unique business model based on a brand new technology including logistic logic built on its accumulated database, fully-computerized fulfillment procedures using RFID, and construction/management of C2C platform which enables it to allow not only its B2C users but also its end users mutually rent their bags. As a result, its unique business model and corporate value have been highly evaluated and are attracting attention from many areas of industry as exemplified by Minister of Economy, Trade and Industry Award, which it was awarded in 2017.

About World

World has developed its own platform including business infrastructure such as value chain functions covering production and sales activities and systems and shared services that support them in addition to offering value in a wide range of price bands and sales channels to companies offering many products and services under a unified brand name.

Furthermore, World is promoting the development of sharing reuse markets in order to respond to accelerating changes of young customers as well as customers of all ages. Last year, it acquired Tinpan Array Co., Ltd., which runs a chain of high-end brand select shops under the brand name of “RAGTAG” and invested in Omnis Co., Ltd., which offer subscription-based rental service named "SUSTINA". In August this year, World established the first off-price store in Japan called “&Bridge”, a joint venture with Gordon Brothers Japan Co., Ltd.

About the strategic partnership with World and its effect

Lexus have decided to enter into a strategic partnership with World after a series of discussions with them on the visions on the future fashion industry, the potential development of its proprietary business model and of its business expansion firmly believing that forming a strategic partnership to deepen its relationship with World will truly contribute to the business expansion of both companies. With the formation of this partnership, Lexus believes that it can maximize the pace of expansion and profit growth in the future and greatly improve its corporate value by leveraging the human capital and other managerial resources of the entire World Group and their financial commitment of ten billion yen* to support Lexus’ growth.

Lexus’ participation in the World Group is expected to have three effects in particular as follows:

(1) Effects of utilizing World’s strong customer base

The service of sharing brand bags, which was launched in February 2015, is unprecedented in the world and needs to be recognized widely for its expansion. Achieving this purpose requires certain investment and it is difficult to achieve this independently as Laxus has not fully developed its access to traditional off-line market being a company having expanded business only through the use of online channel. For the purpose of overcoming this challenge, leveraging two strong customer bases maintained by World should work as a substantial help; (1) World's active customers totalling six million a year and its strong customer base and (2) customers using their luxurious brand reuse service. Leveraging these two customer bases maintained by World Group is expected to maximize the speed of Laxus' business expansion. It is because for this reason that Laxus is planning to launch new campaigns to earn new customers by leveraging World's customer bases.

(2) Increase in profitability and exponential growth by deploying variety of resources including additional funding

In order for Laxus to acquire new customers by gaining broader recognition from the public, it is necessary to maintain continuous and stable investment including but not limited to building bag inventory.

World has announced that it will provide ten billion yen* in funding to Laxus to support its growth expecting that it will accelerate its business expansion speed by fully taking advantage of joining the World Group. This should allow Laxus to substantially increase its bag inventory, make it more attractive than ever, provide more satisfying services to its new and existing members than ever before, and achieve further improvement in profitability and quantum leap in growth.

(3) Effects of tapping World's human capital and other resources

While Laxus has been continuously expanding its membership and business ever since it started its business in 2015, it has been experiencing growing

pain due to its dramatic growth; shortage of human resources in all operational areas especially in the areas of marketing, designing, engineering, and operational management both domestically and globally. On the other hand, the World Group has been deploying its business networks centered around North America along with China and South East Asia in addition to its firmly established its business base in Japan. By joining the World Group and by benefiting from the provision of human capital support and other business resources of the World Group, Laxus is expected to strengthen its internal infrastructure and secure its further growth. This should allow Laxus to reinforce its recruiting activities by leveraging World's established reputation.

4. About Laxus' organization and new development

By joining the World Group through the strategic partnership, Laxus will try to maximize the growth speed and profit growth. In doing so, Mr. Kodama, the founder and representative of Laxus, will continue to manage its business as a major shareholder and as President and CEO along with existing management members (directors, auditors, executive officers and others) while maintaining its business locations and business names aiming at further enhancing its corporate value.

By exercising the synergy of co-working with World to achieve the business expansion, Laxus seeks to contribute to the diversified development and vitalization of the fashion industry by disseminating the concept of sharing economy in addition to seeking the establishment of the sound business structure and the firm business basis qualifying Laxus to make its initial public offering (IPO) in the future.

5. About 300-million-yen campaign

Just enter the invitation code below from the app and Laxus will offer you points worth 3,000 yen to the first 100,000 applicants. In addition to the points worth 10,000 yen to be provided as the first use privilege, you can additionally earn points worth 3,000 yen; you can try Laxus' service worth 13,000 yen in total (worth about 50 days) free of charge.

Invitation code: "world89"

*You can enter the invitation code from the "Invitation Code" of "My Page" after downloading the app.

* Note: This offer is for the first-time users of Lexus' service.

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*≒100 million dollars