



August 14, 2019

Press Release

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Notice of Submission of Application Form for Approval of Extension to Deadline for Submission of the Report for the Second Quarter of the Fiscal Year Ending December 31, 2019

Laox Co., Ltd. (the “Company”) hereby announces that on August 14, 2019 it submitted to the Kanto Finance Bureau an application form for approval of an extension to the deadline for submission of the quarterly report under the provisions of Article 17-15-2, Paragraph 1 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc., in accordance with the following.

1. Quarterly report to be submitted
Report for the second quarter of the fiscal year ending December 31, 2019 (from April 1, 2019 to June 30, 2019)
2. Submission deadline prior to extension
August 14, 2019
3. Submission deadline if extension is approved
September 2, 2019

4. Reason for need to extend submission deadline

As announced in the Notice of Postponement of Announcement of Financial Results for the First Half of the Fiscal Year Ending December 31, 2019 dated August 13, 2019, errors have been discovered in the accounting treatment of business combination in the past. The specific nature of the errors is as follows. Please note that the amount of impact refers to the cumulative effect (rough estimated value) as of the end of the second quarter of the fiscal year ending December 31, 2019 and could change as a result of additional audits by the audit corporation in the future.

(1) An error in the prorating of depreciable assets and non-depreciable assets of real estate for valuation and a related error in the amount of depreciation of re-evaluated depreciable assets

① Under-recording of buildings and structures 1,903 million yen

② Over-recording of land 1,846 million yen

③ Under-recording of depreciation 160 million yen

Over-recording of profit as a result of the above (after adjusting for tax effect and profit (loss) attributable to non-controlling interests) 100 million yen

In light of this, it is expected to take a certain amount of time for the Company to adjust past financial results and for RSM Seiwa to conduct additional audit procedures in respect of the report for the second quarter of the fiscal year

ended December 31, 2018; the report for the third quarter of the fiscal year ended December 31, 2018; the securities report for the fiscal year ended December 31, 2018; and the report for the first quarter of the fiscal year ending December 31, 2019. Therefore, receipt of the review report for the second quarter of the fiscal year ending December 31, 2019 is not expected to meet the legal deadline for submission of the quarterly report. As a result of the above, the Company has decided to submit to the Kanto Finance Bureau an application form for approval of an extension to the deadline for submission of the report for the second quarter of the fiscal year ending December 31, 2019.

5. Future outlook

The Company will promptly disclose approval of the application for extension to the submission deadline.