

February 12, 2016

To whom it may concern,

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Representative: President & CEO :Yiwen Luo
(Code: 8202, Tokyo Stock Exchange 2nd Division)
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Notice of Reporting Extraordinary Gains and Losses

Laox Co., Ltd. hereby announces the following extraordinary gains and losses in the consolidated financial statement for the fiscal year ending December 2015.

1. Extraordinary Gains

We have recorded an extraordinary profit of 342 million yen as below.

Negative goodwill on the acquisition of shares from subsidiaries	138 million yen
Reversal of an impairment loss in Chinese subsidiaries	204 million yen

2. Extraordinary Losses

We have recorded an extraordinary loss of 291 million yen as below.

(1) Our company

Our company has recorded an extraordinary loss of 245 million yen

Impairment losses associated with the decline in the profitability of properties for subletting	104 million yen
Losses associated with the expiration of contracts for sales outlets and the cancellation of contracts for property for subletting	41 million yen
Losses as a result of the withdrawal from Employees' Pension Fund	100 million yen

(2) Domestic subsidiaries

Our domestic subsidiaries have recorded an extraordinary loss of 26 million yen.

Impairment loss associated with the decline in the profitability of sales outlets and with the closure of unprofitable stores	26 million yen
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(3) Chinese subsidiaries

Our subsidiaries in China have recorded an extraordinary loss of 20 million yen.

Loss associated with stores' reorganization	20 million yen
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3. Impact on Business Performance

The foregoing extraordinary gains and losses have been reflected in the "Financial Statements for FY Ending December 2015" released today.