

May 13, 2016

To all

Company Name: Laox Co., Ltd.  
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## Notification related to extraordinary loss postings

In the consolidated accounts of the first quarter (January 1, 2016 ~ March 31, 2016) of the fiscal year ending December 2016, the following extraordinary losses were posted.

### 1. Content of extraordinary losses

As itemized below, extraordinary losses totaled 414 million yen.

A) LAOX Co. Ltd.

In the Overseas segment (formerly the Foreign Trade Business), extraordinary losses of 191 million yen resulted from withdrawal from sales of electric motor-assisted bicycles.

B) Domestic subsidiaries

In the Domestic Retail segment (formerly the Domestic Store Business), extraordinary losses of 16 million yen resulted from disposal of fixed assets in connection with store renovations.

C) China subsidiaries

In the Overseas segment (formerly the Branch Store Business in China), extraordinary losses of 205 million yen resulted from adjustment related to store closures.

### 2. Effects on business results

The effects are reflected in the "Consolidated 1Q FY 12/2016, the summary of accounts (Japanese standards)" released today.

The end