



June 26, 2020

Press Release

Company name: Laox Co., Ltd.
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Director
(Code number: 8202 TSE2)
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Notice of Calling for Voluntary Retirement

Laox Co., Ltd. (the “Company”) announced that at the meeting of its Board of Directors held on June 26, 2020, a resolution had been passed to call for voluntary retirement, detail as follows

Notice

1, Reasons for Calling for Voluntary Retirement

Due to the outbreak and epidemic of the new coronavirus (COVID-19), the number of visitors to Japan from China showed a steep decline. This situation have a negative impance on the company’s financial results. For the purpose of the establishment our business structure, the Company announced the "Notice of Calling for Voluntary Retirement" in February 14, 2020. The call for voluntary retirement was made between February 17, 2020 and March 6, 2020.

Authorities in Japan has succeeded in slowing their outbreaks, the pandemic is still accelerating world-wide, it is considered that it will take time for the current international travel restrictions to be eased.

In the inbound business, the Group's main business, with no prospect of recovery in the number of foreign tourists visiting Japan, we are still forced to temporarily close some of our stores and our employees continue to stand by at home.

In light of the above and the current severe business environment, we have decided to call for voluntary retirement in order to optimize the composition of our workforce and to support employees in changing their careers as well as career developing outside the company.

2, Summary of Calling for Voluntary Retirement

(1) eligible applicants: full-time and contract employees of Laox Co., Ltd.

There are no restrictions on occupation or years of service.

(2) number of applicants: about 250

(3) period of the application: between July 1, 2020 and July 31, 2020

(4) date of the retirement: August 31, 2020

(5) benefit of the application: special severance pay is added to the prescribed pay.

3, Impact on the Company’s business performance

The special severance payments and costs associated with this voluntary retirement will be recorded as an extraordinary loss in the consolidated accounts in the fiscal year ending December 31, 2020. Since the number of applicants and breakdown of the payment have not yet been confirmed, the impact on the consolidated financial forecast for the fiscal year ending December 31, 2020 will be announced as soon as it is confirmed.

End