



September 22, 2021

Press Release

Company name: Laox Co., LTD.  
Representative: Kensaku Iida, President and  
Representative Director  
(Code number: 8202 TSE2)  
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**Notice of Merger and Acquisition of Wholly Owned Subsidiary  
(Short-form Merger/Simplified Merger) and Posting of Extraordinary Loss in  
Non-consolidated Financial Statements (Loss on Extinguishment of Tie-in Shares)**

Laox Co., Ltd. (the “Company”) announces that at a meeting held on September 22, 2021, its Board of Directors passed a resolution to implement a merger and acquisition of L Capital Tokyo Co., Ltd. (hereinafter referred to as “LCT”), a wholly owned subsidiary of the Company, (hereinafter referred to as the “Merger”) and signed a merger agreement for the Merger. The Company additionally announces that it is expected to post an extraordinary loss (loss on extinguishment of tie-in shares) in its non-consolidated financial statements for the fiscal year ending December 31, 2021.

Certain disclosures and details have been omitted in this press release since the Merger is a short-form merger of the Company’s wholly owned subsidiary.

1. Purpose of the Merger

LCT, a consolidated subsidiary of the Company, holds all shares of Shaddy Co., Ltd., also a consolidated subsidiary of the Company. The Company will implement the Merger to concentrate the management resources Laox Group and increase efficiency.

2. Summary of the Merger

(1) Schedule of the Merger

Board of Directors’ meeting to approve merger agreement	September 22, 2021
Date of merger agreement	September 22, 2021
Effective date of the Merger	December 1, 2021 (tentative)

\* The Merger is a short-form merger specified in the paragraph (2), Article 796 of the Companies Act for the Company and a simplified merger specified in the paragraph (1), Article 784 of the Companies Act for LCT; therefore, neither of the companies will hold a General Meeting of Shareholders to approve the Merger.

(2) Method of the Merger

The Merger is an absorption-type merger wherein the Company will be the surviving company and LCT will be dissolved.

(3) Details of allocation relating to the Merger

The merged company is a wholly owned subsidiary of the Company, and the Merger will not involve any issuance of new shares, capital increase, delivery of money, or any other payment of compensation.

- (4) Treatment of share acquisition rights and bonds with share acquisition rights of the dissolving company  
Not applicable

### 3. Overview of companies in the Merger

	Surviving Company	Dissolving Company	
(1) Name	Laox Co., LTD.	L Capital Tokyo Co., Ltd.	
(2) Location	2-11-1 Shibakoen, Minato-ku, Tokyo	2-11-1 Shibakoen, Minato-ku, Tokyo	
(3) Title and name of representative	Luo Yiwen, President and Representative Director Kensaku Iida, President and Representative Director CEO	Teruji Yano, President and Representative Director	
(4) Business	Domestic Retail Business, Overseas Business, and Asset Business	Investment business	
(5) Capital	23,000 million yen	10 million yen	
(6) Establishment	September 27, 1976	March 12, 2018	
(7) Number of issued shares	93,335,103	40,152	
(8) Fiscal year-end	December 31	December 31	
(9) Large shareholders and their shareholding ratios (As of June 30, 2021)	(1) GRANDA GALAXY LIMITED 34.51% (2) Granda Magic Limited 30.39% (3) Nihon Kanko Menzei Co., Ltd. 6.01%	Laox Co., LTD. 100.00%	
(10) Financial position and operating results in the immediately preceding fiscal year			
Fiscal year	FY Ended December 31, 2020 (consolidated)	FY Ended December 31, 2020 (non-consolidated)	FY Ended December 31, 2020 (non-consolidated)
Net asset value	27,575 million yen	23,529 million yen	1,998 million yen
Total asset value	63,523 million yen	32,944 million yen	2,208 million yen
Net assets per share	293.31 yen	257.20 yen	49,781.40 yen
Net sales	82,988 million yen	17,818 million yen	— million yen
Operating profit (loss)	-3,359 million yen	-2,978 million yen	-0 million yen
Ordinary profit (loss)	-3,444 million yen	-4,683 million yen	-0 million yen
Profit (loss) attributable to owners of parent	-16,641 million yen	-16,363 million yen	-0 million yen
Profit (loss) per share	-182.04 yen	-179.00 yen	-4.27 yen

(Note 1) The shareholding ratios were calculated by subtracting the number of treasury shares (1,918,000) from the number of issued shares.

### 4. Status after the Merger

There will be no changes in the trade name, location, title and name of the representative, scope of business, stated capital, and accounting period of the Company upon the completion of the Merger.

### 5. Future outlook

The Company is expected to post an extraordinary loss (loss on extinguishment of tie-in shares) of approximately 490 million yen in its non-consolidated financial statements due to the Merger. However, the Merger is between the Company and its wholly owned subsidiary, which will have no impact on the consolidated financial results.

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