



Dear All

### **Announcement of Recording of Extraordinary Loss**

The Board of Directors of Start Today Co., Ltd. (hereinafter “ST”) resolved at the special meeting of the board which is held on April 27, 2018 to record extraordinary losses for the consolidated business results for FYE March 2018. Details are as follows.

#### **1. Details of the Extraordinary Losses**

##### **(1) Recording of Impairment Loss of Non-Current Assets and Inventory Valuation Loss**

Because some of the equipments which are not expected to be utilized in the future due to the spec change in regard with manufacture of the body measurement suit, ST recorded impairment loss of non-current assets of 1,486 million yen. Also, since parts such as integrated circuits ST purchased for manufacturing the suit, in which are not expected to be used in the future as well, ST recorded 263 million yen of inventory valuation loss.

##### **(2) Recording of Loss on Valuation of Investment Securities**

Business performance of StretchSense Limited (hereinafter “SSL”), an affiliated company of ST and the manufacturer which ST outsources the production of the body measurement suits, has been struggling compared to the original plan formulated by SSL. Given the circumstance and as a result of careful consideration, ST scrutinized the forecast and resolved to record loss on valuation of investment securities of 1,848 million yen.

##### **(3) Recording of Loss on Valuation of Advance Payment**

ST made advance payment to companies (mostly SSL) in prospect of manufacturing considerable number of suits but with the spec change of the body measurements suit, utilization of SSL’s expertise in sensor technology, which is the source of excess profitability for the business plan formulated at the time of investment, cannot be expected in the future. Thus ST recorded loss on valuation of advance payment of 663 million yen

#### **2. Impact to Consolidated Business Results**

The impact from this matter has been reflected to the financial results of FYE March 2018 which is disclosed today.

#### **DISCLAIMER:**

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