



April 27, 2018

Dear All,

**Announcement of Discussion to Introduce Stock Options with Stock Price Condition
(Stock Compensation-type Stock Options)**

Start Today Co.,Ltd. (hereinafter the “Company”) started the discussion at the special meeting of Board of Directors held on April 27, 2018 to bring up the matter of issuance policy on the stock compensation-type stock options with stock price condition(hereinafter the “Stock Options”) to the directors (excluding external directors, hereinafter the “Eligible Directors”) pertain to the agenda of remuneration of directors (hereinafter the “Agenda”) to the 20th Ordinary General Meeting of Shareholders (hereinafter the “Shareholders Meeting”) which is scheduled on June 26, 2018.

Although this announcement is not applicable to the Timely Disclosure Regulation set by the Tokyo Stock Exchange, the Company judged that this information is useful and contributing to make investment decisions, thus disclosing voluntarily.

The Company is planning to deliberate agendas for the Shareholders Meeting on the special meeting of Board of Directors scheduled on May 31, 2018 and the Agenda will and is planning to put on the table as well.

Also, With respect to the Stock Options, the Company is deliberating a plan to allocate more than 90% of issuance to Mr. Yusaku Maezawa the president and representative director of the Company. In consideration of such circumstances and in order to ensure the fairness of the granting procedure of the Stock Options, Mr. Yusaku Maezawa is not planning to take part in deliberation and resolution for this matter by the Board of Directors meeting on May 31, 2018.

With regard to the introduction of the Stock Options, the Company received opinions from external directors and external auditors who are independent directors of the Company, that although there is still room for further discussion for detailed conditions such as weighted requirements for job title requirements in addition to the tenure requirements which are addressed in this announcement, it has reasonability for its purpose and most of conditions from the following points of view:

- (1) Granting of the Stock Options will contribute to increase corporate value because the Eligible Directors will share profit consciousness of shareholders and encourage Mr. Yusaku Maezawa who has been taking a significant role in the Company’ s to develop and initiate new businesses, to make commitment to the Company and achievement of the medium-term management plan
- (2) Given the difficulty of achieving the conditions to exercise the rights and corporate value at the time of achievement, the number of granting shares and resulting dilution to the existing shareholders are within reasonable range, and the granting conditions have certain validity with guarantee
- (3) Even though the stock compensation expenses will be recorded annually from the time of allocation to the time of exercising the stock acquisition rights, when conditions for exercising the rights are fulfilled, as stated above, existing shareholders will enjoy the profit from increase in corporate value. On the other hand, if the conditions for exercising the rights are not fulfilled, the shares will not be issued and expired. The stock compensation expense recorded temporarily will be recorded as reversal gain; therefore, the existing shareholders will not bear serious disadvantages

(Reference)

The overview of the Stock Options Plan as of today is as follows.

1. Purpose and Reasons for the Introduction
 - Increase motivation to achieve the medium-term management plan disclosed today
 - Correspond shareholders value and directors’ remuneration to aim for growth of business performance and enhance corporate value continuously after the medium-term management plan
 - 3 types of stock options will be introduced but enable to exercise the rights if and only when the predetermined conditions and tenure requirements are fulfilled:

- (1) 3 years of tenure requirement and achieving the net sales of 393.0 billion yen with market capital of 2 trillion yen
 - (2) 6 years of tenure requirements and achieving market capital of 3 trillion yen
 - (3) 10 years of tenure requirements and achieving market capital of 5 trillion yen
- At the time when all 3 types of stock options are exercised, 31,000,000 shares of outstanding 311,644, 285 shares as of today will be issued, resulting 9.95% dilution. However, achieving conditions of exercising the rights means contribution to enhance corporate and shareholders value and meets the interests of existing shareholders, thus the Company recognizes that the size of such issue is reasonable.

2. Detail of the Stock Options (Stock Acquisition Right)

(1) Type and Number of Shares

The type of shares to be subject to the Stock Options shall be common shares of the Company, and the number of shares to be subject to the Stock Options shall be 31,000,000 shares maximum.

(2) The Number of the Stock Acquisition Right

The number of the stock acquisition rights shall be 310,000 units maximum

(3) Amount Paid for the Stock Acquisition Right

Amount paid for the stock acquisition rights will be equivalent to the fair evaluation value of the stock acquisition rights calculated by the Black-Scholes model at the date of allotment of stock acquisition rights. Persons whom the stock acquisition rights are allotted are able to offset their payment obligations to be paid for the stock acquisition rights with their monetary compensation claims; thus, persons will not be required to make payment.

(4) Value of Assets Financed Upon the Exercise

The value of assets to be financed upon the exercise of the stock acquisition rights shall be 1 yen (the paid-in amount per share to be delivered upon the exercise of the stock acquisition rights) multiplied by the number of shares granted

(5) Period for the Exercise of the Stock Acquisition Rights

The period for the exercise of the stock acquisition rights shall be the period defined by the Board of Directors of the Company and less than 20 years from the next day of the stock acquisition rights grant

(6) Restriction on Acquisition of Stock Acquisition Rights by Transfer

Approval by the Board of Directors of the Company shall be required for the acquisition of the stock acquisition rights by transfer

(7) Other Details in regard with the Stock Acquisition Rights

Other details in regard with the stock acquisition rights shall be resolved by the Board of Directors of the Company

DISCLAIMER:

This document is summary translation of Japanese version. All readers are recommended to refer the original Japanese version for complete information. In the event of any discrepancy, errors and/or omissions, the Japanese version shall prevail.