

Details of financial results of FY2017 are as follows.

(Unit: million yen)

	FY2016		FY2017		YoY	Against Guidance
Total Transaction Value	212,090	(100.0%)	270,543	(100.0%)	27.6%	0.2%
Net Sales	76,393	(36.0%)	98,432	(36.4%)	28.8%	-1.6%
Gross Profit	69,213	(32.6%)	90,464	(33.4%)	30.7%	–
Operating Profit	26,284	(12.4%)	32,669	(12.1%)	24.3%	2.1%
Recurring Profit	26,442	(12.5%)	32,740	(12.1%)	23.8%	2.3%
Profit Attributable to Owners of Parent	17,035	(8.0%)	20,156	(7.5%)	18.3%	-9.2%

Numbers inside parentheses are compositions toward the total transaction value

The total transaction value resulted as 270,543 million yen (+27.6% increase Y/y), net sales resulted as 98,432 million yen (+28.8% increase Y/y) and gross profit resulted as 90,464 million yen (+30.7% increase Y/y). Gross profit margin (towards the total transaction value) rose by 0.8p from 32.6% to 33.4% on Y/y basis. The factors increasing the gross profit margin were rise in the other revenue segment due to increase in shipping income and settlement commission despite the decrease in termination of paid membership services.

SG&A resulted as 57,794 million yen (+34.6% increase Y/y) and SG&A ratio (towards the total transaction value) increased by 1.2p from 20.2% to 21.4% on Y/y basis. As primary reasons for such the increase in the SG&A ratio are as follows. The ratio of shipping cost (towards the total transaction value) increased by 1.0p Y/y to 5.2% due to the price revision of the shipping fees to the carrier in Sep 2017, and the ratio of outsourcing expenses (towards the total transaction value) increased by 1.0p Y/y to 2.8% due to outsourcing fees associated with our private brand and outsourcing fees for operations aligned with the expansion of logistics and warehouse. On the one hand, total promotion costs (towards the total transaction value) decreased by 1.1p Y/y to 1.6%.

As a result, operating profit resulted as 32,669 million yen (+24.3% increase Y/y), and operating profit margin (towards the total transaction value) resulted as 12.1%, which is 0.3p decrease from 12.4% the operating profit margin of the last fiscal year. Recurring profit resulted as 32,740 million yen (+23.8% increase Y/y), and profit attributable to owners of parent resulted as 20,156 million yen (+18.3% increase Y/y). However, we recorded extraordinary loss of 4,260 million yen: Impairment loss of non-current asset of 1,486 million yen because some of the equipment which are not expected to be utilized in the future due to the spec change in regard with manufacture of the body measurement suit, inventory valuation loss of 263 million yen for the same reason addressed above, loss on valuation of

investment securities of 1,848 million yen due to StretchSense Limited (hereinafter “SSL”), an affiliated company, has been struggling compared to its original business forecast, and loss on valuation of advance payment of 663 million yen for advance payment which had been made in prospect of manufacturing considerable number of suits prior to the spec change of the body measurement suit.

Pertain to above extraordinary losses, we have disclosed “Notice Regarding the Call Option Agreement with StretchSense Limited” on Nov 22, 2017 which enables us to selectively conduct full acquisition of SSL in the future. The Board of Directors of Start Today resolved at the special meeting of the board which is held on Apr 27, 2018 to call off the execution of the call option agreement with SSL.

In comparison with the guidance which was disclosed on Apr 28, 2017, the total transaction value could overachieve by 0.2%. The net sales was 1.6% behind the plan but this was mainly due to the shortfall of ZOZOUSED within ZOZOTOWN business. We overachieved 2.1% and 2.3% for operating profit and recurring profit respectively; however, due to the extraordinary losses explained above, the profit attributable to owners of parent was 9.2% behind to the plan.

New initiatives and topics in FY2017 are as follows.

(Launch of the Private Brand Business (Hereinafter, “PB Business”))

On Nov 22, 2017, we announced the release of a body measurement suit “ZOZOSUIT” and the private brand “ZOZO”, started the pre-order of “ZOZOSUIT” for free distribution. In addition, from Jan 31, 2017, we commenced the sales of the private brand “ZOZO”. The business model of “ZOZO” is to provide best fit items for customers from a few thousand patterns of size range after measuring body size using “ZOZOSUIT”. We purchase certain amounts of inventory in advance for the sizes we expect order concentration, and for the sizes not in the stock, we have constructed the structure to delivery items to customers within 2 weeks.

(Change in Shipping Charge Policy)

As of shipping charge, we implemented the measure where customers can set charge at any amount for a month from Oct 2017. Then the shipping policy was amended in Nov 2017 to uniform 200 yen (including tax). The shipping policy prior to Oct 2017 was no charge to orders (including tax) higher than 4,999 yen and 399 yen (including tax) for lower than that.

(Expansion of Logistics and Warehouses)

We have opened a new logistics center in Chiba prefecture in Jul 2017 and from this the entire floor space of ZOZOBASE became approximately 200,000 m². Also, as of logistics centers, due to the expectation of further expansion in total transaction value, we are planning to rent a new logistics center from Oct 2018 and the fall 2019 in Tsukuba city in Ibaraki prefecture. Through this contract, the entire floor space is expected to be around 330,000 m² in total.

Total transaction value of FY2017 4Q (Jan – March 2018) resulted 73,555 million yen (+14.9% increase Y/y). Since the financial impact of deferred payment method which was introduced in Nov 2016 took around, and keeping a lid on total promotion costs, the growth rate became settled at organic growth rate. SG&A resulted 15,770 million yen (+16.3% increase Y/y), SG&A ratio (towards total transaction value) was 21.4%. As a result, operating profit resulted 9,118 million yen (+30.4% increase Y/y) and operating profit ratio (towards total transaction value) was 12.4%.

Results by business segment are as follows.

Business Unit	FY2016 (Apr 1, 2016 to Mar 31, 2017)			FY2017 (Apr 1, 2017 to Mar 31, 2018)			Transaction Value YoY (%)	Net Sales YoY (%)
	Transaction Value (million ¥)	Ratio (%)	Net Sales (million ¥)	Transaction Value (million ¥)	Ratio (%)	Net Sales (million ¥)		
ZOZOTOWN (Consignment)	191,903	90.5	55,253	246,803	91.2	71,192	28.6	28.8
(Purchased Stock)	193	0.1	193	166	0.1	166	-14.0	-14.0
(ZOZOUSED)	12,875	6.1	12,875	15,951	5.9	15,931	23.9	23.7
Subtotal	204,972	96.6	68,322	262,920	97.2	87,290	28.3	27.8
BtoB	6,220	2.9	1,338	7,536	2.8	1,642	21.2	22.7
ZOZOFURIMA	898	0.4	-0	86	0.0	-	-90.4	-100.0
Others	-	-	6,731	-	-	9,498	-	41.1
Total	212,090	100.0	76,393	270,543	100.0	98,432	27.6	28.8

(ZOZOTOWN Business)

Total transaction value of ZOZOTOWN Business resulted 262,920 million yen (+28.3% increase Y/y): consignment sales is 246,803 million yen (+28.6% increase Y/y), purchased stock sales is 166 million yen (+14.0% decrease Y/y) and ZOZOUSED business sales 15,951 million yen (+23.9% increase Y/y). The driving forces supported the high growth momentum of ZOZOTOWN business are as follows:

- Sales contribution from new shops opened and aggressive new shop openings of variety of genres in the last fiscal year
- Issuance of brand coupons to maximize their effectiveness (We increased the number of brands' joint coupons campaigns from Apr 2017, and changed the usable period to 1-day from Nov 2017)
- CRM system enabling diversified communication approaches to users
- Offering diversified payment methods to improve user convenience

Next KPI performances of ZOZOTOWN business are as follows.

	FY2016				FY2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of Shops on ZOZOTOWN (*) ^{1,6}	842	872	934	954	987	1,016	1,094	1,111
Purchased Stock	10	7	7	7	8	7	6	6
Consignment	832	865	927	947	979	1,009	1,088	1,105
Number of Brands (*) ^{1,6}	5,148	5,333	5,655	5,683	5,859	6,032	6,346	6,443
Number of Total Buyers (*) ²	4,832,558	5,252,541	5,783,381	6,324,033	6,734,740	6,963,986	7,205,777	7,223,227
Active Member	2,844,171	3,059,991	3,421,440	3,893,156	4,181,873	4,591,017	4,957,861	5,112,861
Guest Buyer	1,988,387	2,192,550	2,361,941	2,430,877	2,552,867	2,372,969	2,247,916	2,110,366
Annual Purchase Amount (*) ^{2,4,5}	48,644	48,556	48,275	46,417	47,119	46,818	46,707	47,661
Annual Purchase Pieces (*) ^{2,4}	9.9	10.4	10.5	10.3	10.7	10.9	11.0	11.4
Number of Shipment (*) ³	4,652,101	5,391,093	5,886,580	6,931,318	6,787,599	7,148,647	8,303,595	8,293,761
Average Retail Price (*) ^{3,5}	4,468	3,855	5,236	4,474	4,099	3,664	4,858	4,203
Average Purchase Amount per Shipment (*) ^{3,5}	8,680	7,941	10,143	8,955	8,530	8,186	9,043	8,611
By Access Terminal (*) ³								
PC	29.7%	28.1%	24.6%	22.3%	20.5%	19.5%	17.8%	16.7%
Smartphone	69.9%	71.6%	75.2%	77.5%	79.4%	80.4%	82.1%	83.3%
Other Mobiles	0.4%	0.3%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%

(*)

- 1 Numbers as of the end of each quarter period
- 2 Data is based on 12 months-period prior to the quarter end
- 3 Figures are quarterly basis
- 4 Indicators are per active user basis
- 5 Japanese yen basis
- 6 Private brand "ZOZO" is not included to the number of shops and of brands

<Number of New Shop Openings>

By the end of Mar 2018, we ended with 1,111 shops and 6,443 brands, achieving steady increase in the numbers (1,094 shops and 6,346 brands as of Dec 2017). We welcomed 36

new shops (net increase of 17 shops) in 4Q, thus the total number of new shop openings during this fiscal year reached 219 shops (net increase of 157 shops). We originally planned to open 150 new shops in this fiscal year and overachieved the target. Major shops opened during Q4 are “N.HOLLYWOOD”, a domestic street brand which we have attracting over past few years, “BEDWIN & THE HEARTBREAKERS”, “ATTACHMENT”, “NIKE”, “UNDER ARMOUR”, “MIKI HOUSE” a department store kids brand etc.

<Number of Total Annual Buyers>

	FY2016				FY2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of Total Buyers	4,832,558	5,252,541	5,783,381	6,324,033	6,734,740	6,963,986	7,205,777	7,223,227
(YoY Difference)	1,229,362	1,554,287	1,748,639	1,846,683	1,902,182	1,711,445	1,422,396	899,194
(Previous Quarter Comparison)	355,208	419,983	530,840	540,652	410,707	229,246	241,791	17,450
Active Member	2,844,171	3,059,991	3,421,440	3,893,156	4,181,873	4,591,017	4,957,861	5,112,861
(YoY Difference)	442,750	658,674	898,940	1,206,230	1,337,702	1,531,026	1,536,421	1,219,705
(Previous Quarter Comparison)	157,245	215,820	361,449	471,716	288,717	409,144	366,844	155,000
Guest Buyer	1,988,387	2,192,550	2,361,941	2,430,877	2,552,867	2,372,969	2,247,916	2,110,366
(YoY Difference)	786,612	895,613	849,699	640,453	564,480	180,419	-114,025	-320,511
(Previous Quarter Comparison)	191,963	204,163	169,391	68,936	121,990	-179,898	-125,053	-137,550

The number of new active members increased compared to the previous quarter, but due to promotion costs saving, the incremental trend became settled at organic growth rate. The number of guest members continuously decreased from the previous quarter. This was mainly due to the shift from guest members to active members during 4Q through the change in distribution of brand coupons, which are available only registered members.

<Annual Purchase Amount and Annual Purchase Pieces>

	FY2016				FY2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Annual Purchase Amount (All Members)	48,644	48,556	48,275	46,417	47,119	46,818	46,707	47,661
(YoY %)	9.9%	5.2%	2.4%	-3.2%	-3.1%	-3.6%	-3.2%	2.7%
(Previous Quarter Comparison)	1.5%	-0.2%	-0.6%	-3.8%	1.5%	-0.6%	-0.2%	2.0%
Annual Purchase Pieces	9.9	10.4	10.5	10.3	10.7	10.9	11.0	11.4
(YoY %)	22.9%	21.6%	17.0%	9.2%	8.2%	4.5%	4.9%	10.8%
(Previous Quarter Comparison)	5.1%	5.3%	0.5%	-1.8%	4.1%	1.7%	0.9%	3.7%
Annual Purchase Amount (Active Member)	58,953	60,106	60,929	61,770	63,004	64,290	62,761	61,098
(YoY %)	7.5%	7.5%	7.7%	6.7%	6.9%	7.0%	3.0%	-1.1%
(Previous Quarter Comparison)	1.9%	2.0%	1.4%	1.4%	2.0%	2.0%	-2.4%	-2.7%
Annual Purchase Pieces	11.8	12.6	13.1	13.6	14.1	14.6	14.5	14.4
(YoY %)	19.0%	22.1%	22.3%	20.2%	19.2%	15.7%	10.5%	6.1%
(Previous Quarter Comparison)	4.9%	6.3%	4.0%	3.7%	4.0%	3.2%	-0.7%	-0.4%

The reason behind the increase of annual purchase amount compared to 4Q of last fiscal year

and 3Q of this fiscal year, was the rise in average from the decrease in proportion of newly registered active members to the entire active members.

The annual purchase amount of existing active members is also decreasing due to the increase in short-term active members who registered through the introduction of deferred payment services in Nov 2016 and 3,000 points offer for new registration in Dec 2016. It has been a year since measures took place and newly-registered members became existing members thus the proportion of short-term members to the existing active members increased.

	FY2016				FY2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Average Retail Price	4,468	3,855	5,236	4,474	4,099	3,664	4,858	4,203
(YoY %)	-11.4%	-14.7%	-11.8%	-9.1%	-8.3%	-5.0%	-7.2%	-6.1%
(Previous Quarter Comparison)	-9.2%	-13.7%	35.8%	-14.5%	-8.4%	-10.6%	32.6%	-13.5%
Average Purchase Amount per Shipment	8,680	7,941	10,143	8,955	8,530	8,186	9,043	8,611
(YoY %)	-9.6%	-14.4%	-4.8%	-2.5%	-1.7%	3.1%	-10.9%	-3.8%
(Previous Quarter Comparison)	-5.5%	-8.5%	27.7%	-11.7%	-4.7%	-4.0%	10.5%	-4.8%
Average Purchase Pieces per Order	1.94	2.06	1.94	2.00	2.08	2.23	1.86	2.05
(YoY %)	2.0%	0.4%	8.0%	7.2%	7.1%	8.5%	-3.9%	2.4%
(Previous Quarter Comparison)	4.0%	6.0%	-5.9%	3.3%	4.0%	7.3%	-16.7%	10.1%
Number of Shipment	4,652,101	5,391,093	5,886,580	6,931,318	6,787,599	7,148,647	8,303,595	8,293,761
(YoY %)	54.7%	61.9%	50.9%	42.3%	45.9%	32.6%	41.1%	19.7%
(Previous Quarter Comparison)	-4.5%	15.9%	9.2%	17.7%	-2.1%	5.3%	16.2%	-0.1%

<Average Retail Price, Average Purchase Amount per Shipment and Number of Shipments>

The average retail price decreased because of the increase in the transaction value of new shops with relatively low price point.

The drop of the average purchase amount per shipment in 3Q of this fiscal year was -10.9% decrease from the same quarter of last fiscal year, but the drop of 4Q this fiscal year was kept at -3.8% decrease. This is mainly due to the penetration of shipping fee policy amendment from Nov 2011 to users, resulting the increase in numbers of average purchase pieces per order compared to that of 4Q of last fiscal year.

<ZOZOUSED>

For ZOZOUSED which is included in the ZOZOTOWN business, the transaction value resulted as 15,951 million yen (+23.9% increase Y/y) which accounts for 5.9% of the total transaction value (6.1% in last fiscal year). The net sales was 15,931 million yen (+ 23.7% increase Y/y). ZOZOUSED started marketplace business from 4Q of this fiscal year which records the commission to the transaction value received from brands/shops as the net sales, thus the total transaction value and the net sales are not equal. The full-year corporate plan of the transaction value was 18,000 million yen was not achieved. The background of this shortfall

was because of putting emphasis on conducting the operational restructure in the 1st half of FY2017, to provide full-fledged trade-in transactions for replacement purchase. In the 2nd half, we were managed to increase the number of trade-in items by emphasizing replacement purchases; however, the number of unit selling price was under our expectation.

<BtoB Business>

The transaction value of BtoB business resulted as 7,536 million yen (+21.2% increase Y/Y) which accounts for 2.8% of the total transaction value (2.8% in 4Q of last fiscal year). Net sales resulted 1,642 million yen (+22.7% increase Y/y).

Other Topics

<WEAR>

WEAR, our fashion platform aiming to revitalize the entire fashion market, is continuously operating to expand both the user base as well as the content volume. We have seen a steady growth in the service including over 11 million App downloads and the number of monthly active users has also been in good shape.

<Guidance for FY2018>

The guidance for FY2018 is as follows.

(Unit: million yen)

	FY2017 (Results)		FY2018 (Guidance)		Comparison
Transaction Value	270,543	(100.0%)	360,000	(100.0%)	33.1%
Net Sales	98,432	(36.4%)	147,000	(40.8%)	49.3%
Operating Profit	32,669	(12.1%)	40,000	(11.1%)	22.4%
Recurring Profit	32,740	(12.1%)	40,000	(11.1%)	22.2%
Profit Attributable to Owners of Parent	20,156	(7.5%)	28,000	(7.8%)	38.9%

The domestic fashion e-commerce market, which we put our axis, still has low e-commerce penetration compared to the fashion e-commerce penetration of the West. For the past several years, domestic brands are actively enhancing their own e-commerce businesses, therefore we believe the entire expansion trend in the fashion e-commerce market in Japan continues in the future. Under such environment, we will aim for strong growth with the full-scale initiation of the private brand business and advertisement business providing advertising spots on "ZOZOTOWN" and "WEAR" from next fiscal year, in addition to focus on constructing "ZOZOTOWN" more attractive for both users and brands.

We are expecting the increase in SG&A ratio (toward the total transaction value) mainly due to recording distribution cost of “ZOZOSUIT” as one of the promotion related costs and full-year impact of increase in shipping cost. Also, to correspond further expansion of transaction value, we are planning the expansion of logistics centers in Oct 2018. As a result, operating profit margin (towards transaction value) is expected to become 11.1% which is -1.0p from the previous fiscal year.

Transaction value plans for each business unit for FY2018 are as follows.

Business Unit	FY2017 (Results)		FY2018 (Guidance)		Comparison
	Transaction Value (million ¥)	Ratio (%)	Transaction Value (million ¥)	Ratio (%)	
ZOZOTOWN (Consignment)	246,803	91.2	309,000	85.8	25.2
(Purchased Stock)	166	0.1	—	—	—
(ZOZOUSED)	15,951	5.9	21,000	5.8	31.7
Subtotal	262,920	97.2	330,000	91.7	25.5
PB	0	0	20,000	5.5	—
BtoB	7,536	2.8	10,000	2.8	32.7
ZOZOFURIMA	86	0	—	—	—
Total	270,543	100.0	360,000	100.0	33.1

(*) Since significance of purchased stock shop to the total transaction value is minimal and FURIMA business ended its operation, they are excluded from the FY2018 guidance.

Within the ZOZOTOWN business, as for consignment shop, we aim to maintain the growth of transaction value by continuously increase “the number of buyers” and “usage ratio of ZOZOTOWN in fashion related consumption”. Specifically, we will make users easier to purchase by attracting new brands satisfying user needs and spreading the body measurement suit “ZOZOSUIT”

With respect to ZOZOUSED, we will continue to expand its business size by strengthening trade-ins for replacement purchase and expand the marketplace business for third-party second-hand business operators, which started from FY2017.

Regarding the PB Business, the next fiscal year is the substantial commencement. We will aim for the vertical launch by expanding the variety of items on the private brand “ZOZO” and stable production and distribution of the body measurement suit “ZOZOSUIT”. Furthermore, as announced already, we are planning to run the oversea business from the next fiscal year. As for BtoB business, we are planning to aggressively expand the consignment websites:

brands' own e-commerce sites from the next fiscal year, as the structure for expanding business scale is completed.

(Medium-term Management Plan)

We disclosed the medium-term management plan from FY2018 to FY2020 on Apr 27, 2018. The summary is as follows.

	FY2018		FY2019		FY2020	
	Amount (million ¥)	Growth Ratio (%)	Amount (million ¥)	Growth Ratio (%)	Amount (million ¥)	Growth Ratio (%)
Transaction Value	360,000	33.1	508,000	41.1	715,000	40.7
Net Sales	147,000	49.3	241,000	63.9	393,000	63.1
Operating Profit	40,000	22.4	580,00	45.0	90,000	55.2

For more detail, please access the link below

(URL:https://image-contents.s3.amazonaws.com/wp/en/wp-content/uploads/2018/05/20180426_slide_MTP.pdf)

(Repurchase of Shares and Discussion to Introduce Stock Compensation-type Stock Options with Stock Price Condition)

On Apr 27, 2018, we made disclosure of repurchase of shares and discussion to introduce stock compensation-type stock options with stock price condition. Details are as follows.

(Repurchase of Shares)

Start Today Co., Ltd. (hereinafter, the "Company") will properly respond to the distribution of profits to the shareholders in light of the financial base and the future investment plan. Based on this, in order to maximize corporate value and in view of the stock price level by balancing the internal reserves necessary for medium to long-term growth investments and enhancement of profit return, the company made a judgmental decision to repurchase of the Company's shares.

In addition, the Company sounded out Mr. Yusaku Maezawa, the largest shareholder holding 37.9% of the Company's outstanding shares as of Mar 31, 2018 and the President and Representative Director of the Company, for partial sales of common shares he possesses, and received a response from him to accept to sell. With respect to cash necessary to acquire the Company's shares, the Company is planning to allocate by own funds and borrowing. The Company believes that liquidity after this acquisition is secure since the Company has cash and deposit of 24,571 million yen on the consolidated balance sheet as of Mar 31, 2018, and sufficient overdraft limit with partner banks. The financial stability and safety will be secure in the future as well since the Company expects accumulation of cash and deposits

from cash flows derived from its businesses.

Conditions with regards to the repurchase of shares are as follows:

- (1) Class of Shares to be Repurchased Common Stock
- (2) Total Number of Repurchasable Shares 10,000,000 shares (Maximum)
(3.21% of the total number of shares issued [excluding treasury stocks])
- (3) Total Repurchase Cost 25,000 Million Yen (Maximum)
- (4) Repurchase Period From May 1, 2018 to Jun 30, 2018 (Scheduled)
- (5) Repurchase Method Purchase through ToSTNeT Market at the Tokyo Stock Exchange (Scheduled)

(Discussion to Introduce Stock Compensation-type Stock Options with Stock Price Condition)
the Company started the discussion at the special meeting of Board of Directors held on Apr 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 to the 20th Ordinary General Meeting of Shareholders which is scheduled on June 26, 2018.

Granting of the Stock Options will contribute to increase corporate value because the Eligible Directors will share profit consciousness of shareholders and encouraging the Eligible Directors to make commitment to the Company and achievement of the medium-term management plan

To increase motivation to achieve the medium-term management plan, and 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.