



April 9, 2018

To Whom It May Concern

Company Name:	YONDOSHI HOLDINGS INC.
Representative:	Saishi Kimura
	Chairman and Representative
	Director, CEO
Listing:	First Section, Tokyo Stock Exchange
Securities Code:	8008
Inquiries:	Masahiko Nishimura
	Director and Executive Officer
	responsible for Finance
Telephone:	+81-3-5719-3429

**Notice Concerning Abolition of the Officer Retirement Benefits Plan
and Introduction of a Stock Compensation Plan**

YONDOSHI HOLDINGS INC. (“YONDOSHI HOLDINGS” or “the Company”) hereby announces that the Company, at a Board of Directors’ meeting held on April 9, 2018, adopted certain resolutions concerning the revision of its officer compensation plan, abolition of its officer retirement benefits plan, and introduction of a trust-based stock compensation plan (hereinafter, the “Plan”). Officers eligible for the Plan comprise the Company’s directors (excluding directors who are Audit and Supervisory Committee members) and directors who are Audit and Supervisory Committee members (excluding outside directors) as well as directors and corporate auditors (excluding outside corporate auditors) of the Company’s major Group companies (hereinafter “Eligible Subsidiaries” with the Company and Eligible Subsidiaries collectively referred to as “Eligible Companies”). Moreover, YONDOSHI HOLDINGS announces its decision to put forward a proposal regarding the Plan at the Company’s 68th General Meeting of Shareholders, which is scheduled to be held on May 17, 2018. Brief details are presented as follows.

In addition, plans are also in place to put forward the same proposal at the respective General Meetings of Shareholders of the Eligible Subsidiaries, which are scheduled to be held by the end of May 2018, with the General Meetings of Shareholders of the Company and Eligible Subsidiaries collectively referred to as “General Meetings of Shareholders.” Again, brief details are presented as follows.

1. Abolition of Officer Retirement Benefits Plan

The abolition of the officer retirement benefits plan will take effect upon conclusion of General Meetings of Shareholders. Proposals regarding the termination payment of retirement allowances to the Company’s directors (excluding directors who are Audit and Supervisory Committee members) and directors who are Audit and Supervisory Committee members as well as directors and corporate auditors of Eligible Subsidiaries (together with the Company’s directors hereinafter referred to as “Directors, etc.”) depending on respective terms of office up to the conclusion General Meetings of Shareholders.

Payments will be made at the time of retirement.

2. Rationale behind Steps to Introduce the Plan

Compensation paid to the directors of Eligible Companies (excluding directors who are Audit and Supervisory Committee members) is made up of the three basic, retirement benefits, and stock option components. Compensation paid to directors who are Audit and Supervisory Committee members as well as corporate auditors is comprised of the two basic and retirement benefits components. In this instance, YONDOSHI HOLDINGS plans to abolish its officer retirement benefits plan and to introduce a stock compensation plan for Directors, etc.

The Plan is designed to better clarify the link between compensation paid to Directors, etc. and the value of the Company's stock. The rationale behind steps to introduce the Plan is therefore to increase performance from both the medium- and long-term perspectives and to heighten awareness toward efforts aimed at maximizing corporate value by ensuring that Directors, etc. not only enjoy the benefits of an increase in the Company's share price, but also bear responsibility for any downturn in value while sharing with all shareholders the risks associated with movements in the share price.

The introduction of the Plan is subject to approval at each Eligible Company General Meeting of Shareholders.

3. Outline of the Plan

(1) Outline of the Plan

At a meeting of its Board of Directors, YONDOSHI HOLDINGS resolved to introduce a trust-based stock compensation plan as a means to grant the Company's shares to eligible persons who fulfill certain beneficiary requirements. In specific terms, YONDOSHI HOLDINGS will contribute the necessary funds (maximum amount stipulated in item (6) that follows) to establish a trust. Utilizing the aforementioned funds, the trust will acquire and grant the Company's shares to Directors, etc. of Eligible Companies in accordance with officer share grant rules pertaining to officers' compensation stipulated by the Eligible Companies. In principle, Directors, etc. shall receive each grant of the Company's shares at the time of retirement.

(2) Eligible Persons

Eligible persons shall comprise the Company's directors (excluding directors who are Audit and Supervisory Committee members) and directors who are Audit and Supervisory Committee members (excluding outside directors) as well as directors and corporate auditors (excluding outside corporate auditors) of Eligible Subsidiaries.

(3) Period Covered

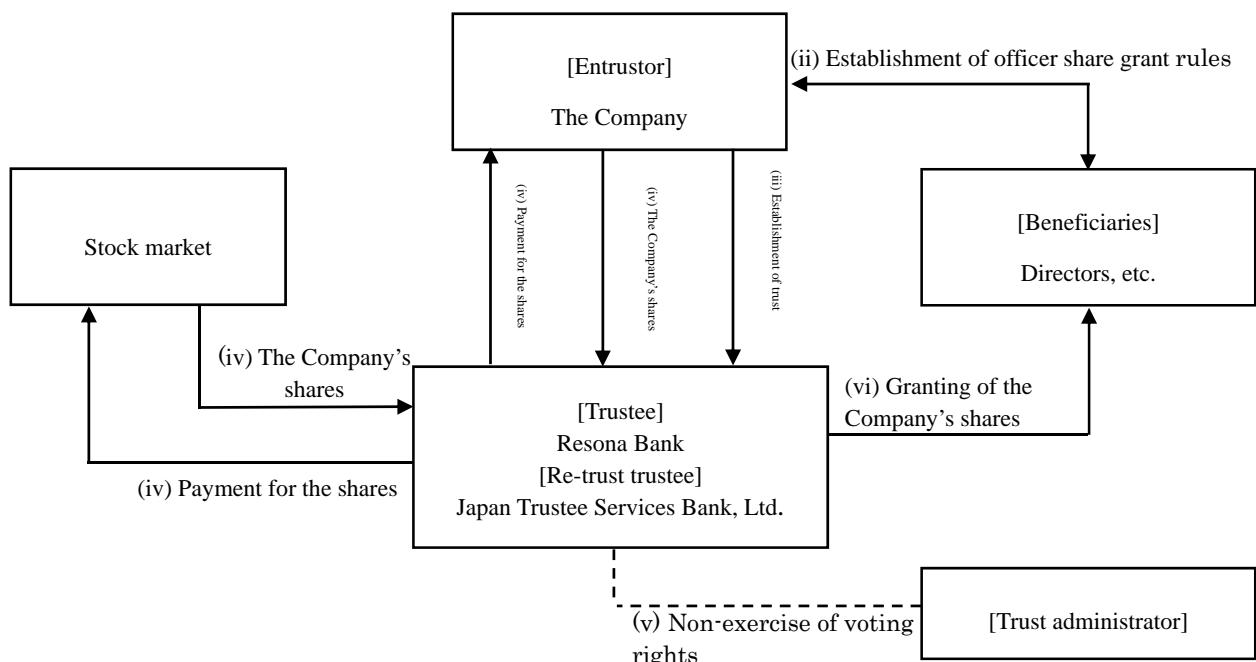
The two fiscal years from the fiscal year ending February 28, 2019 to the fiscal year ending February 29, 2020 and each two fiscal year period thereafter (each two fiscal year period referred to as the "Period Covered").

(4) Establishment of the Trust in line with Plan Operations

As a part of the Plan's operations, YONDOSHI HOLDINGS will establish and operate a trust after obtaining the agreement of the Trustee. Brief details are presented as follows.

<Outline of the Mechanisms of the Plan>

(i) Resolution of General
Meeting of Shareholders of the
Company



- (i) The Eligible Companies will obtain approval on officers' compensation in relation to the introduction of the Plan at General Meetings of Shareholders for each of the Eligible Companies.
- (ii) The Eligible Companies will establish officer share grant rules pertaining to the content of the Plan for each of the Eligible Companies.
- (iii) The Company will entrust funds within the scope for which approval was received in the Company's General Meeting of Shareholders as outlined in (i) above, and establish a trust (hereinafter, the "Trust") with eligible persons of the Plan as beneficiary candidates. Note the Company may entrust additional funds within the above scope.
- (iv) The Trust will acquire the Company's shares from the Company (disposal of treasury stock) or the stock market by using the funds entrusted under (iii) above. However, the method of acquisition from the disposal of treasury stock of the Company shall not be used for the initial acquisition.
- (v) Voting rights of the Company's shares in the Trust shall not be exercised throughout the trust period.
- (vi) Under the provisions of the officer share grant rules outline in (ii) above, during the trust period, eligible persons of the Plan will be given points depending on their position, responsibilities, and term of office, etc. A number of the Company's shares based on the points given will be granted to eligible persons who fulfill certain beneficiary requirements stipulated in the officer share grant rules, such as time of retirement. However, in the case that the Directors, etc. fulfill the requirements stipulated in the officer share grant rules, the Company may grant funds equivalent to the market value of the Company's shares instead of granting the Company's shares for a certain percentage of the points.

(5) Trust Period

The Trust period will be from mid July 2018 (planned) until the termination of the Trust (no specific termination date has been set for the Trust, which will remain in effect as long as the Plan remains active).

Meanwhile, the Plan will be terminated under certain circumstances including delisting of the Company's shares and abolition of officer share grant rules.

(6) Maximum Amount to be Contributed to the Trust

YONDOSHI HOLDINGS will contribute certain monies to a maximum total of ¥150 million as funds to establish a trust for the purpose of providing officer compensation for the initial Period Covered in accordance with the terms and conditions stipulated under the Plan. In specific terms, the Trust will acquire shares to be granted to certain beneficiaries, defined as eligible persons who fulfill certain requirements. The Company may entrust additional funds to acquire shares to a maximum total of ¥150 million during the initial Period Covered.

Drawing on the funds entrusted by YONDOSHI HOLDINGS, the Trust will acquire the Company's shares through trading and other markets or by underwriting treasury stock that have been disposed by the Company.

Moreover, YONDOSHI HOLDINGS may also contribute additional funds to a maximum total of ¥150 million during each Period Covered up to the termination of the Plan after the initial Period Covered. If, however, in the event that YONDOSHI HOLDINGS makes an additional contribution, the Trust assets contain any residual Company shares (excluding shares yet to be granted to eligible persons from the Company's shares corresponding to the number of points assigned to directors (please refer to item (8) for details regarding points)) or monies (hereinafter, "Residual Shares and Other Benefits") on the last day of the Period Covered immediately preceding the Period Covered for which YONDOSHI HOLDINGS intends to make the additional contribution, Residual Shares and Other Benefits will be applied as the source of compensation granted in accordance with the terms and conditions stipulated under the Plan for the subsequent Period Covered. Moreover, the maximum amount of money to be additionally contributed for the subject Period Covered shall be ¥150 million less the amount of Residual Shares and Other Benefits (the applicable value of the Company' shares shall be the market value of residual shares as of the last day of the Period Covered immediately preceding the subject Period Covered).

(7) Method for the Trust to Acquire the Company's Shares

The Trust will acquire YONDOSHI HOLDINGS shares up to the maximum amount of funds contributed through trading and other markets or by underwriting treasury stock that have been disposed by the Company as indicated in item (6). However, the Trust will not underwrite treasury stock that have been disposed by the Company with respect to the initial acquisition.

(8) Method for Calculating the Number of the Company's Shares to be Granted to Eligible Persons under the Plan

Points will be granted to eligible persons each fiscal year in line with such factors as each eligible person's job description, responsibilities, and period of office for each fiscal year during each Period Covered. Points granted shall be converted to common shares of the Company on a one-for-one basis at the time shares are granted (however, steps shall be taken to adjust this ratio under certain circumstances including a stock split, allotment of shares without contribution, or the reverse split/consolidation of the Company's shares following approval of the subject agenda proposal).

(9) Timing of the Granting of the Company's Shares to Eligible Persons under the Plan

In principle, eligible persons who have resigned or meet certain beneficiary requirements shall be granted Company shares corresponding to the fixed number of points determined at the time of resignation by completing specified beneficiary established procedures. However, eligible persons have the right to receive an amount of money equivalent to the market value of the Company's shares granted up to a certain percentage in the event that requirements stipulated under officer share grant rules are met. In this instance, the Trust may sell the Company's shares in order to undertake the payment of money to eligible persons.

(10) Exercise of Voting Rights of the Company's Shares Included in the Trust

The Trust will not exercise voting rights of the Company's shares included in the Trust on a uniform basis in order to ensure the neutrality of YONDOSHI HOLDINGS' business management regarding voting rights of the Company's shares included in the Trust.

(11) Handling of Dividends of the Company's Shares Included in the Trust

The Trust will receive dividends for the Company's shares included in the Trust. Dividends received will be applied to cover such Trust expenses as acquisition of the Company's shares and the payment of Trust fees.

(12) Procedures at the Time of Trust Termination

The Trust will terminate under certain circumstances including the abolition of officer share grant rules.

Plans are in place for YONDOSHI HOLDINGS to acquire, at no charge, all of the Company's shares included in assets within the Trust, and to dispose of said shares in accordance with a resolution of the Board of Directors at the time the Trust is terminated.

Plans are also place for any monies contained in the residual assets within the Trust to be paid on a pro rata basis corresponding to the number of accumulated points to eligible persons under the Plan in office at the time the Trust is terminated in accordance with the terms and conditions stipulated in advance under the Trust Agreement, or to a specified public-service promotion corporation with no vested interest in the Eligible Companies.

Outline of the Plan

(1) Name	: Share Grant Trust for Officers
(2) Entrustor	: The Company
(3) Trustee	: Resona Bank, Limited Resona Bank, Limited will conclude a specified comprehensive trust agreement with Japan Trustee Services Bank, Ltd., which will assume to position of re-trust trustee
(4) Beneficiaries	: Eligible persons who fulfill certain beneficiary requirements
(5) Trust administrator	: A third party having no vested interest in the Company
(6) Date of conclusion of the Trust Agreement	: Mid July 2018 (planned)
(7) Date of funds to be contributed to the trust	: Mid July 2018 (planned)
(8) Trust period	: From mid July 2018 (planned) to the conclusion of the Trust

End