



To Whom It May Concern

April 12, 2021

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**Notice Concerning Partial Revision to Stock Compensation Plan for Directors
(Excluding Directors who are Audit and Supervisory Committee Members) and
Directors who are Audit and Supervisory Committee Members**

YONDOSHI HOLDINGS INC. (“YONDOSHI HOLDINGS” or “the Company”) hereby announces that the Company, in the Company’s Board of Directors meeting held on April 12, 2021, adopted a resolution to submit a proposal on the partial revision of its Stock Compensation Plan for the directors (excluding directors who are audit and supervisory committee members) and the directors who are audit and supervisory committee members of the Company (hereinafter the “Plan”) to the 71st Annual General Meeting of Shareholders, which is scheduled to be held on May 27, 2021. Brief details are as follows.

1. Purpose of the Revision

YONDOSHI HOLDINGS aims to further enhance objectivity and transparency by adding an upper limit to the number of points granted under the Plan based on clarification of the matters to be resolved for stock compensation due to the enforcement of the Act for Partial Amendment of the Companies Act (Law No. 70, 2019).

2. Amount and Details of Compensation, etc. under the Plan

(1) Outline of the Plan

The Plan is a Stock Compensation Plan under which the Company contributes funds (the upper limit is as in (6) below) to a trust, which acquires the Company’s shares using the funds. The Plan delivers the Company’s shares to directors through the trust in accordance with the rules for granting trust-based stock compensation to corporate officers (hereinafter, “officer share grant rules”) stipulated by the Company and the major subsidiaries of the YONDOSHI HOLDINGS Group (hereinafter, “Eligible Subsidiaries;” hereinafter, the Company and Eligible Subsidiaries are collectively referred to as “Eligible Companies”). In principle, directors and other officers will receive the Company’s shares at the time of retirement.

(2) Eligible Persons

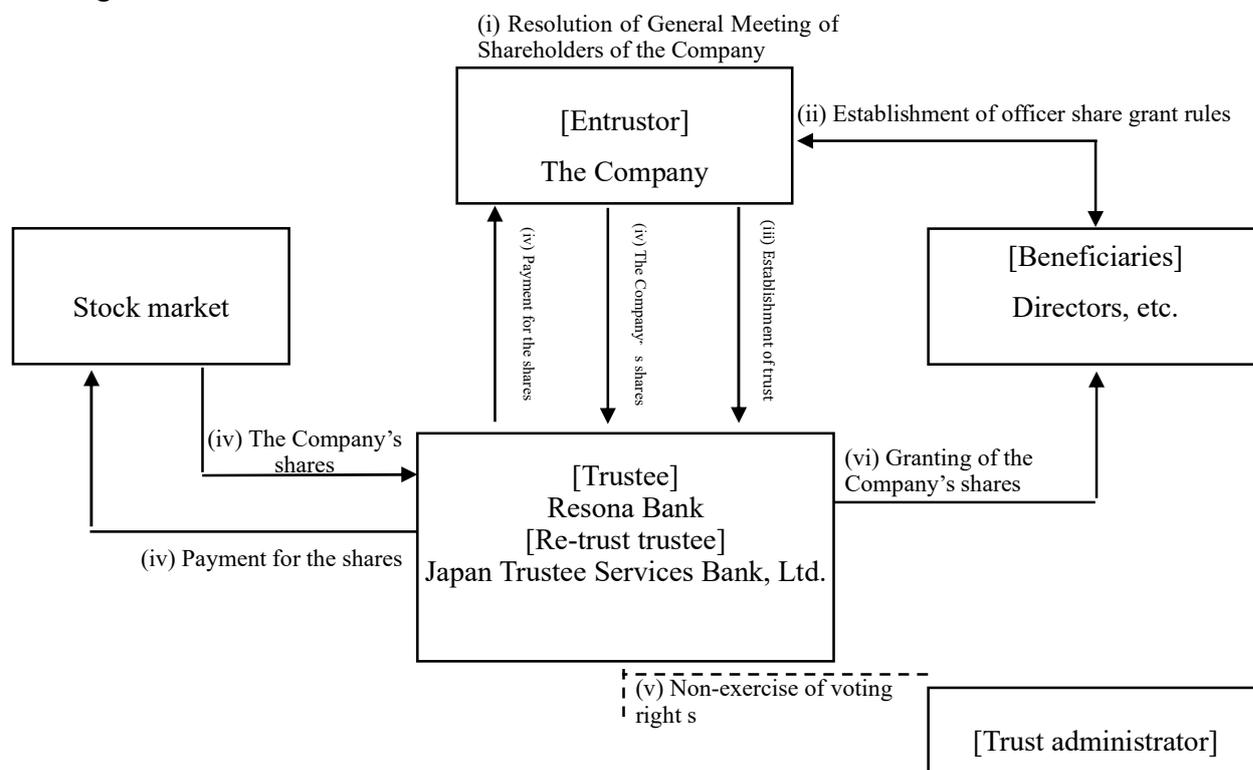
The eligible persons are the directors (excluding directors who are audit and supervisory committee members) and the directors who are audit and supervisory committee members (excluding outside directors) of the Company and the directors and corporate auditors (excluding outside corporate auditors) of the Eligible Subsidiaries.

(3) Target Period

The target period is the two business years from the business year ended February 28, 2019 until the business year ended February 29, 2020 and the period of each two business years starting after the initial two business years have passed (hereinafter, each two business years are referred to as the “Target Period”).

(4) Establishment of the Trust on Operation of the Plan

In operating the Plan, the Company established and operates the following trust based on agreement with the Trustee.



- (i) The Eligible Companies will obtain approval on officers' compensations in relation to the introduction of the Plan in the General Meetings of Shareholders for each of the Eligible Companies.
- (ii) The Eligible Companies will establish the 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 in the above (i), and establish the trust with the eligible persons of the Plan as the beneficiary candidates (hereinafter, the “Trust”). Note that 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 the above (iii).

- (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 in the above (ii), during the trust period, the 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 the grant of the Company's shares for a certain percentage of the points.

(5) Trust Period

The trust period is from November 28, 2018 until the termination of the Trust (the Trust will continue as long as the Plan continues, with no specific termination date).

The Plan will be terminated by the delisting of the Company's shares, the abolition of the officer share grant rules, etc.

(6) Upper Limit of Funds Contributed to the Trust

The Company has contributed funds with an upper limit of 150 million yen (includes 140 million yen for the directors and 10 million yen for the audit and supervisory committee members of the Company) as funds for the acquisition of shares to be granted to the eligible persons under the Plan as officer compensation for the current Target Period, and established the Trust with eligible persons of the Plan as the beneficiaries. The Trust has acquired the target shares using the funds entrusted by the Company through the trading market, etc.

After the end of the current Target Period, the Eligible Companies will make additional contributions with an upper limit of 150 million yen in each Target Period until the termination of the Plan.

However, in the event of such additional contributions, when any target shares (excluding target shares which correspond to the number of points (see (8) below for details about points) granted to the eligible persons for which the grant of shares has not been completed) and funds (hereinafter, "Residual Shares, etc.") remain in the trust assets on the final day of the Target Period that immediately precedes the Target Period of the planned additional contribution, the Residual Shares, etc. shall fund benefits under the Plan in the subsequent Target Period, and the upper limit on the additional contribution that the Eligible Companies shall be able to make during such Target Period will be the amount obtained by subtracting the amount of the Residual Shares, etc. (the amount for residual shares will be the market price on the final day of the immediately preceding Target Period) from 150 million yen.

(7) Method of Acquisition of the Company's Shares by the Trust

The acquisition of the shares of the Company by the Trust will be carried out through the stock market or by subscribing to the disposal of treasury stock by the Company.

(8) Method of Calculation and Upper Limit for the Number of Shares of the Company to be Granted to the Eligible Persons of the Plan

In each business year during each Target Period, the eligible persons of the Plan will be granted points depending on their position, responsibilities, and term of office, etc. In granting shares, the points granted will be converted into one ordinary share of the Company per point. (However, in the event that the Company carries out a stock split, allotment of shares without compensation, or reverse stock split, etc. after approval of the proposal, the Company will make a reasonable adjustment to the calculation ratio in proportion to the ratio of the stock split, allotment of shares without compensation, reverse stock split, etc.)

The upper limit for the points to be granted to directors, etc. shall be 108,000 points in each business year during the Target Period (includes 100,800 points for the directors and 7,200 points for the directors who are audit and supervisory committee members of the Company.)

(9) Timing for the Grant of Shares of the Company to the Eligible Persons in the Plan

As a general rule, when eligible persons retire and fulfill the beneficiary requirements, a number of the Company's shares based on the number of points stipulated at the time of retirement will be granted. However, in the case that the requirements stipulated in the officer share grant rules are fulfilled, the eligible persons have the right to receive funds equivalent to the market value of the Company's shares instead of the grant of the Company's shares for a certain percentage of the points. The Trust may sell the Company's shares in order to grant the funds.

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

None of the voting rights of the Company's shares in the Trust shall be exercised in order to ensure the independence of the Trust from management.

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

Dividends relating to the Company's shares in the Trust will be received by the Trust and applied to the trust expenses, such as acquisition of the Company's shares and trust fees.

(12) Handling on Termination of the Trust

The Trust will terminate in the event of a reason such as the abolition of the officer share

grant rules, etc.

Of the residual assets of the Trust on its termination, it is planned that the Company's shares will all be acquired without compensation by the Company and cancelled by a resolution of the Board of Directors.

Of the residual assets of the Trust on its termination, it is planned that any funds shall be granted to the eligible persons in the Plan in office at the time in proportion to the number of points each of them has accumulated or donated to a specified public-service promotion corporation which has no interest in the Eligible Companies as provided for in the trust agreement in advance.

Outline of the Trust

- (i) Name : Share Grant Trust for Officers
- (ii) Entrustor : The Company
- (iii) Trustee : Resona Bank, Limited
Resona Bank, Limited concluded a specified comprehensive trust agreement with Japan Trustee Services Bank, Ltd. making Japan Trustee Services Bank, Ltd, the re-trust trustee.
- (iv) Beneficiaries : Eligible persons who fulfill the beneficiary requirements
- (v) Trust administrator : A third party with no interest in the Company
- (vi) Date of conclusion of trust agreement : November 28, 2018
- (vii) Date of entrustment of funds : November 28, 2018
- (viii) Trust period : From November 28, 2018 until the Trust is terminated

End