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Company BEENOS Inc.
President and Group CEO Shota Naoi
Tokyo Stock Exchange First Section Code: 3328
Contact Vice President and Group CFO Koji Nakamura
TEL +81-3-5739-3350

Notification to Amend the Remuneration for Directors (including the Amendment of the Remuneration System for Shares with Restriction on Transfer) excluding Audit and Supervisory Committee Members

Tokyo, Japan – 21 November 2019 – BEENOS Inc. (BEENOS) has resolved in its Board of Directors meeting held on 21 November 2019 to place an amendment to the Remuneration for Directors that was approved in the 16th Annual General Shareholders Meeting (16th AGM) held on 10 December 2015 and an amendment to the remuneration regarding shares with restriction on transfer that was approved in the 17th Annual General Shareholders Meeting (17th AGM) held on 15 December 2016 on the agenda for the 20th Annual General Shareholders Meeting (20th AGM) to be held on 20 December 2019. All mentions of “directors” hereafter will exclude audit and supervisory committee members. Details are listed below.

1. Regarding the Amendment to the Remuneration for Directors
Remuneration for directors is currently approved within 200 Million JPY (excluding the salary for any director that is a concurrent employee) as of the 16th AGM.

In order to create a remuneration system that is more interlocking with business results, it will be proposed at the 20th AGM that the remuneration for directors will be within 300 Million JPY. The remuneration amount will continue to exclude the salary for any director that is a concurrent employee.

2. Regarding the Amendment to the Remuneration regarding Shares with Restriction on Transfer

- i. Purpose and Conditions for the Amendment

- 1) Purpose for Amendment

The purpose of the amendment is the further incentivize directors to continually increase the value of the company long-term through the issuance of shares with restriction on transfer by revising the current system to compensate a certain amount regarding the director’s contributions over 3 fiscal years to one that issues shares with restriction on transfer on a yearly basis.

- 2) Conditions for Amendment

The amendment to the shares with restriction on transfer is to revise the remuneration for directors through shares with restriction on transfer and is under the condition that it will be approved in the 20th AGM.

The monetary compensation to issue shares with restriction on transfer is within 120 Million JPY separate from the remuneration slot for directors listed in section 1 as approved in the 17th AGM. The resolution to amend the monetary compensation for shares with restriction on transfer will be proposed in the 20th AGM.

ii. Breakdown of Remuneration regarding Shares with Restriction on Transfer

1) Amendment of Remuneration Slot and Cap

Monetary compensation to distribute shares with restriction on transfer that will be distributed to directors will be capped at 200 Million JPY/year and common shares that will be issued or divested for shares with restriction on transfer will be within 100,000 shares (if there is a stock split or merge that will create a need to adjust the number of shares, the number of issued or divested shares will be adjusted within logical reasoning).

2) Amendment to Period for Restriction on Transfer

The period for restriction on transfer is currently approved to be determined by the board of directors between 1 and 5 years as of the 17th AGM. In the 20th AGM, shares with restriction on transfer, in addition, will be able to be issued from the date of issuance to the date the director vacates his position or resigns from the company.

(Reference)

BEENOS will, under the condition that the proposed amendments will be resolved, issue the same shares with restriction on transfer to the executive officers and directors for BEENOS and its subsidiaries.

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