

This is a translation of the original Japanese release. The Japanese text shall prevail in case of any variance between this version and the Japanese text.

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

Notice of Disposal of Treasury Stock as Compensation for Restricted Stock

Tokyo, Japan – 20 December 2019 – BEENOS Inc. (BEENOS) has announced today that they have resolved to dispose of treasury stock (Treasury Stock Disposal) as restricted stock compensation as follows in the Board of Directors meeting held today,

1. Summary of Disposal

(1) Payment date	20 January 2020
(2) Type and number of shares to be disposed of	55,400 shares of common stock
(3) Disposal price	1,364 JPY per share
(4) Total value disposed	75,565,600 JPY
(5) Scheduled Allocation	37,200 shares to 4 BEENOS Directors (*) 6,500 shares to 5 BEENOS Executive Officers 8,400 shares to 6 Directors of BEENOS subsidiaries 3,300 shares to 7 Executive Officers and other employees of BEENOS subsidiaries *Excludes external directors and directors in the Audit and Supervisory Committee
(6) Other	BEENOS has submitted a notice of securities in accordance with the Financial Instruments and Exchange Act regarding this Treasury Stock Disposal

2. Purpose and reason of disposal

The Board of Directors resolved on 21 November 2019 to amend BEENOS's Restricted Stock Compensation System (Compensation System) that was approved in the 17th Annual General Meeting of Shareholders held on 15 December 2016 to be created separately from the existing remuneration framework to provide incentives for Directors (excluding directors serving on the

Audit and Supervisory Committee and external directors) to continuously increase our corporate value. The following conditions were approved at the 20th Annual General Meeting of Shareholders held on 20 December 2019: ① Monetary remuneration receivables of no more than 200 million JPY/year shall be paid to Directors as contribution assets related to the grant of restricted shares. ② The period of time specified by the Board of Directors shall be within 1 to 5 years. The status of the restricted shares will be from the date of issuance of the restricted shares to the date the director vacates his/her position or resigns from the company. ③(i) The Directors and Officers must continue to hold their positions during the allotted period as defined by our board of directors, and (ii) if the Director or Officer vacates his/her position or resigns from the company before the Restriction Period with a legitimate reason listed, the amount and release timing will be adjusted logically as needed.

The overview of the system is outlined below.

<Overview of the System>

The Directors will receive the issuance or disposal of our common stock based on their payment of contributory assets in kind distributed as monetary remuneration receivable by the company as constituted in the System.

The total number of shares of common stock to be issued or disposed of under the System shall not exceed 100,000 shares per year, and the amount to be paid per share shall be determined by the Board of Directors to the extent that it is not particularly advantageous to the allotted Directors, based on the closing price of BEENOS's common stock on the Tokyo Stock Exchange the business day prior to the resolution of the Board of Directors regarding the issuance or disposition (or, if trading is not completed on the same day, the closing price on the most recent business day prior to that date).

In addition, when issuing or disposing of common stock under the System, BEENOS will enter into a restricted share allotment agreement between it and the directors to be allotted. The content of this agreement will include the following matters:

- ① BEENOS must not transfer, pledge or otherwise dispose of its allotted common stock under the restricted share allocation agreement for the predetermined period.
- ② BEENOS must acquire such common stock free of charge if certain events occur.

BEENOS has also decided to issue similar restricted stock to its executive officers and the directors and executive officers of its subsidiaries for the purpose of providing incentives for the sustainable long term improvement of the corporate value of the group and to share the company's value with its shareholders.

On this basis, BEENOS resolved in its Board of Directors meeting held today to grant its 4 directors and 5 executive officers as well as 6 directors and 7 executive officers and other employees of its subsidiaries (Target Officers) total monetary remuneration receivables of 75,565,600 JPY and 55,400 shares of BEENOS common stock (Allocated Shares) as the disposed

treasury stock, taking into account the objectives of the plan, the company's business performance, the scope of its duties and various other factors.

<Overview of restricted share allocation agreement>

In conjunction with the disposal of treasury stock, BEENOS and the Target Officers will individually enter into a restricted share allotment agreement outlined below.

(1) Restriction period of transfer

The Target Officer may not transfer, pledge or otherwise dispose of the Allotted Shares between 20 January 2020 (payment date) and the date he/she vacates his/her position or resigns from the company or its subsidiaries.

(2) Termination of restrictions on transfer

All allotted shares in the restriction of transfer will be released at the end of the restriction period under the condition that the Target Officer assumes his/her position as director, auditor, executive officer or employee from the Annual General Shareholders Meeting prior to the payment to the following year's Annual General Shareholders Meeting (the Period). However, if the Target Officer dies, fulfills his/her term, retires (if re-hired then the date the re-hire is fulfilled) or is in any position that the Board of Director sees to be a logical reason to vacate his/her position as director, auditor, executive officer or employee of BEENOS or its subsidiaries, the share restriction will be released by calculating the number of months from the date of the agreement divided by 12 (if the number exceeds 1, it will be counted as 1) multiplied by the number of shares owned at the time (if calculation produces a number less than 1 share, it will be rounded down).

(3) Free acquisition by BEENOS

BEENOS will naturally acquire, at the expiration of the restriction period, the Allotted Shares for which the restriction has not been lifted without consideration.

(4) Management of shares

The Allotted Shares will be managed in a dedicated account for restricted shares established by the Target Officer in Daiwa Securities Co. Ltd. during the period of the restriction on transfer so that no transfer, establishment of security rights, or other disposition may be made during the period of the restriction on transfer.

(5) Action in case of Organizational Restructuring, etc.

If, during the Restriction Period, BEENOS approves in a general shareholders meeting to become the dissolving company in an M&A, a wholly owned subsidiary through share exchange or any other restructuring (if the restructuring, etc. does not need approval in a general shareholders meeting, then in a board of directors meeting). If such a resolution is made, the board of directors will resolve in a board of directors meeting the logical number of Common Shares to be released prior to the date of entry into force of the restructuring, etc. by calculating the number of months from the date of the agreement divided by 12 (if the number exceeds 1, it will be counted as 1) multiplied by the number of shares owned at the time (if calculation produces a number less than 1 share, it will be rounded down).

3. Basis for calculation of the amount to be paid in and details thereof

The disposal of treasury stock is conducted using monetary remuneration receivables paid to the planned allotment recipients in accordance with the System as investment assets. In order to make the amount paid for such payment a value that excludes arbitrariness, the closing price of BEENOS common stock on the Tokyo Stock Exchange on 19 December 2019 (the business day before the resolution date of the Board of Directors) was 1,364 JPY. This is the market price immediately before the resolution date of the Board of Directors. In the absence of any special circumstances indicating that the Company is unable to rely on the latest share price, the Company believes that this is a reasonable price that it appropriately reflects the corporate value of the Company and does not constitute a particularly favorable price for the target officers.

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