BEENOS

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.

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Notice Regarding Disposal of Treasury Stock as Restricted Stock Compensation

Tokyo, Japan – 17 December 2021 – BEENOS Inc. (BEENOS) announced to dispose of its treasury stock as restricted stock compensation ("Disposal of Treasury Stock" or "Disposal") as resolved in its board meeting held on 17 December 2021.

1. Overview of the Disposal of Treasury Stock

(1)Payment Date	14 January 2022
(2)Shares to be disposed of	35,400 shares of BEENOS Common Stock
(3)Disposal Price	2,649 JPY per share
(4)Total value of Disposal	93,774,600 JPY
(5)Grantees of shares and number of shares to be allotted	4 BEENOS Directors* 20,000 shares 9 BEENOS Executive Officers 5,550 shares 11 Directors of BEENOS Subsidiaries 7,350 shares 6 Executive Officers of BEENOS Subsidiaries 2,500 shares *Excludes external directors and directors that are members of the Audit and Supervisory Committee
(6)Other	The securities registration notification for the Disposal of Treasury Stock has been submitted in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reasons for Disposal

BEENOS has resolved in its board meeting held on 17 December 2021 to revise the remuneration reserve scheme (Reserve Scheme) that was ratified in its 17th AGM held on 15 December 2016 to create a separate Reserve Scheme to better incentivize its Directors (excluding external directors and directors that are members of the Audit and Supervisory Committee) to increase the value of the Company on a long-term basis and share value with its shareholders. The Reserve Scheme was resolved to 1) payout within 200 Million JPY per annum of monetary remuneration payables to Directors as contributed assets in accordance to the Reserve Scheme, 2) the period of the restricted stock will be decided by the board of directors between 1 and 5 years or if the Director resigns from their post or the Company and 3-i) continues to be a director of BEENOS or one of its subsidiaries and ii) if the Director resigns from their post from BEENOS or one of its subsidiaries for a legitimate reason as decided by the board of directors during the 20th AGM held on 20 December 2019.

The outline of the Reserve Scheme is as follows.

<Overview of the Reserve Scheme>

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

The aggregate number of shares of BEENOS common stock to be issued or disposed of under the Plan will not exceed 100,000 shares per year, and the amount to be paid per share will be determined by the Board of Directors to the extent that it is not particularly advantageous for directors to be allocated based on the closing price of BEENOS's common stock on the Tokyo Stock Exchange on the business day prior to the date of resolution of the Board of Directors relating to the issuance or disposition (if no transactions are consummated on that date, the closing price on the most recent trading day prior to that date).

In addition, when issuing or disposing of common stock under the Reserve Scheme, 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 The Company 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 has decided to grant 35,400 shares of BEENOS common stock (the "Allocated Shares") to 4 directors, 9 executive officers and 11 directors and 6 executive officers of its subsidiaries ("Target Officers") as a disposal of treasury stock by paying an aggregate 93,774,600 JPY for monetary compensation claims in consideration of the purpose of the System, our performance, the scope of responsibilities of each target officer, etc., and other factors at the meeting of the Board of Directors held 17 December 2021.

<Overview of the Allotment 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) Transfer Restriction Period

The Target Officers shall not transfer, pledge or otherwise dispose of the Allocated Shares from 14 January 2022 (the Payment Date) to the date on which any director, auditor, executive officer, of BEENOS or its subsidiaries resigns or retires.

(2) Termination of the Transfer Restrictions

The restriction on transfer of all the Allocated Shares shall be lifted at the expiration of the restriction on transfer, provided that the Target Officers remained in the position of director, auditor, executive officer, etc. of BEENOS or its subsidiary continuously during the period from the day of the AGM immediately before the payment date to the day of the AGM held the following year (hereinafter referred to as "the Service Provision Period"). Provided, however, that in the event any of the directors, auditors, and executive officers of BEENOS or any of its subsidiaries retire or resings from the Company during the Service Provision Period due to death, expiration of term of office, retirement (or expiration of the reemployment period if the officer is reemployed after retirement) or any other reason deemed justifiable by the Board of Directors of the Company, the restriction on transfer shall be cancelled with respect to the allotted shares of the number (all figures calculated under 1 share will be rounded down) obtained by multiplying the number of the allotted shares by the number obtained by dividing by the number of months per year from the month following the month containing the starting date of the Service Provision Period to the month including the date of retirement or retirement at the time of expiration of the restriction on transfer.

(3) Free acquisition by BEENOS

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

(4) Management of shares

The Allocated Shares will be managed in a dedicated account for restricted shares established by the Target Officers 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 on Transfer Period, the merger agreement in which BEENOS becomes an extinguished company, the allotment-for-share exchange agreement in which BEENOS becomes a wholly-owned subsidiary, the share transfer plan, and other matters related to the organizational restructuring are approved at our general shareholders meeting of shareholders (or, if the approval of the general meeting of shareholders is not required for the said organizational restructuring, at the meeting of our board of directors), the restriction on transfer of all the allotted shares shall be cancelled by a resolution of the board of directors at the time immediately prior to the business day prior to the effective date of the organizational restructuring, etc.

3. Basis for calculating the amount to be paid and the specific contents thereof

The Disposal of Treasury Shares is made using monetary compensation claims paid to the prospective allottee under the Plan as investment assets. The paid-in amount is set at 2,649 JPY, the closing price of our common shares on the Tokyo Stock Exchange on 16 December 2021 (the business day before the resolution of the Board of Directors meeting), in order to eliminate arbitrary value. This is the market price immediately before the resolution date. 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 appropriately reflects the corporate value of the Company and does not constitute a particularly favorable price for the target officers.

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