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To Whom It May Concern

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Notice Concerning the Twelfth Issuance of Stock Options (New Share Subscription Rights)

YONDOSHI HOLDINGS INC. (hereinafter referred to as “YONDOSHI HOLDINGS” or “the Company”) announced that at a meeting of its Board of Directors on November 22, 2018, the Company had resolved to issue new share subscription rights. The issuance of new share subscription rights will be undertaken for the purpose of granting stock options to directors and executive officer of YONDOSHI HOLDINGS’ subsidiary and other companies in accordance with articles 236, 238 and 240 of the Corporations Act. Brief details are presented as follows.

1. Reasons for the Issuance of New Share Subscription Rights as Stock Options

The proposal to issue new share subscription rights as stock options is made as an incentive to the directors and executive officer of YONDOSHI HOLDINGS’ subsidiary and other companies to further improve and enhance YONDOSHI HOLDINGS’ business results and corporate value while heightening senior executives focus on shareholder-oriented management.

2. Overview of the Issuance of New Share Subscription Rights

(1) The name of the new share subscription rights

YONDOSHI HOLDINGS INC, Inc. Twelfth Series New Share Subscription Rights

(2) The total number of new share subscription rights

282 rights

The aforementioned number is the total number of new share subscription rights that is expected to be allotted. In the event there is a reduction in the total number of new share subscription rights to be

allotted due to a variety of factors including the number of applications for new share subscription rights falling below the deemed number, the total number of new share subscription rights shall be equal to the total number of new share subscription rights that are actually allotted.

(3) The number of new share subscription rights allotted and the number of eligible persons

260 rights for allotment to 23 directors of YONDOSHI HOLDINGS' subsidiary and other companies
22 rights for allotment to 3 executive officer of YONDOSHI HOLDINGS' subsidiary companies

(4) Class and amount of stock for which new share subscription rights are to be granted

The class of stock for which new share subscription rights are to be granted shall be common par value shares of YONDOSHI HOLDINGS INC. The total number of shares represented by the amount of new share subscription rights granted (hereinafter referred to as "the number of shares granted") shall be 100 shares. Moreover, in the event that YONDOSHI HOLDINGS splits or consolidates its common stock (including the allotment of the Company's common stock to YONDOSHI HOLDINGS' shareholders without compensation; hereinafter the same for matters relating to the split of common stock) after the date on which the new share subscription rights shall be allotted as set forth in (15) as follows (hereinafter referred to as the "allotment date"), the number of shares granted shall be adjusted in accordance with the following formula. This adjustment shall apply to "the number of shares granted" for those new share subscription rights that have not already been exercised prior to the relevant date. Furthermore, fractions of less than one share arising out of the aforementioned adjustments shall be discarded.

The number of shares granted after adjustment = The number of shares granted before adjustment x
The stock split or consolidation ratio

In the case of a stock split, the number of shares granted after adjustment shall apply from the day after the record date (or effective date when no record date is specified) of the said stock split. Whereas, in the case of a stock consolidation, the number of shares granted after adjustment shall apply from the day the stock consolidation becomes effective. Provided, however, that in cases where the Company conducts a stock split conditional on approval at a General Meeting of Shareholders of the Company of a proposal to reduce retained earnings and increase capitalization and reserves, the record date for the stock split shall be the day prior to the day on which said shareholders' meeting closes. In this case, the number of shares granted after adjustment shall apply from the day after the day the applicable shareholders' meeting closes.

In addition to the aforementioned, in the event YONDOSHI HOLDINGS carries out a statutory merger, corporate separation or exchange of shares, and / or an adjustment in the number of shares granted is required due to an event of another kind after the allotment date, the Company may adjust the number of shares granted affected subject to a meeting of YONDOSHI HOLDINGS' Board of Directors where appropriate in a reasonable manner.

(5) The amount of assets to be contributed upon the exercise of new share subscription rights

The amount of assets to be contributed upon the exercise of new share subscription rights shall be the amount obtained by multiplying the exercise price per share issued or transferred upon the exercise of new share subscription rights by the number of shares granted.

The exercise price shall be the average value of the closing price of YONDOSHI HOLDINGS' common stock with par value on the Tokyo Stock Exchange on each day (excluding days when there is no trading) of the month immediately prior to the month in which the allotment date falls multiplied by 1.05 (with any fractions less than one yen arising therefrom to be rounded up to the nearest one yen) or the closing price as of the allotment date (if there is no trading on that day, the first closing price available for the date immediately prior to the said date) whichever is the higher.

(6) Adjustment of the exercise price

(I) If, after the allotment date, either (a) or (b) that follows occurs with respect to the common stock of the Company, the exercise price shall be adjusted using the respective calculation formulae given below ("the exercise price adjustment formula"). Any fraction of less than one yen arising therefrom to be rounded up to the nearest one yen

(a) Where a stock split or stock consolidation takes place

$$\begin{array}{c} \text{Exercise price after} \\ \text{adjustment} \end{array} = \begin{array}{c} \text{Exercise price before} \\ \text{adjustment} \end{array} \times \frac{1}{\begin{array}{c} \text{Ratio of stock split or stock} \\ \text{consolidation} \end{array}}$$

(b) Where YONDOSHI HOLDINGS issues new shares of common stock or retires treasury stock at a price that is less than the market price (excluding the sale of treasury stock in accordance with the provisions outlined under Article 194 of the Corporations Act (the "Demand for Sale of Shares less than One Unit of Holders of Shares less than One Unit"); the exercise of the conversion of securities converted into or convertible into YONDOSHI HOLDINGS' common stock or the exercise of new share subscription rights (including new share subscription rights attached to bonds).

$$\begin{array}{c} \text{Exercise} \\ \text{price after} \\ \text{adjustment} \end{array} = \begin{array}{c} \text{Exercise} \\ \text{price before} \\ \text{adjustment} \end{array} \times \frac{\begin{array}{c} \text{Number of} \\ \text{previously} \\ \text{issued} \\ \text{shares} \end{array} + \frac{\begin{array}{c} \text{Number of newly} \\ \text{issued shares} \end{array} \times \begin{array}{c} \text{Subscription} \\ \text{price per share} \end{array}}{\begin{array}{c} \text{Market price} \\ \text{Number of previously issued shares} + \text{Number of newly issued shares} \end{array}}$$

(i) The "market price" to be used in the exercise price adjustment formula shall be the average of the closing price (including indicative prices; all subsequent references to closing prices should be taken to include indicative prices) of the Company's common stock on the Tokyo Stock Exchange ("the closing price") on each of the 30 trading days commencing after the 45th trading day prior to the date on which the adjusted exercise price becomes effective ("the effective date") as specified in (II) that

follows, excluding those days on which there is no closing price. Yen values shall be calculated to nearest first decimal place.

(ii) The number of previously issued shares to be used in the exercise price adjustment formula is the total number of issued common stock excluding treasury stock related to common stock held by the Company as of the relevant date, if there is a record date, and as of the day one month prior to the effective date if there is no record date.

(iii) In the event that treasury stock is disposed of, the number of newly issued shares shall be read as the number of treasury stock shares disposed of.

(II) The date on which the exercise price after adjustment takes effect shall be determined as follows

(a) With respect to an exercise price after adjustment determined using the adjustment formula given in (I) (a) preceding, the exercise price after adjustment shall be deemed to come into effect on the day after the stock split base date in the case of a stock split (or effective date when no record date is specified), and on the day after the date on which the stock consolidation came into effect in the case of a stock consolidation. However, where a stock split undertaken to increase capitalization or reserves using retained earnings requires approval by the shareholders meeting, if a date prior to the final day of the shareholders meeting is used as the base date for the stock split, then, commencing on the day after the final day of the shareholders meeting, the day after the base date for the stock split may be retroactively taken as the date on which the exercise price after adjustment took effect.

Where the following proviso applies, with respect to the exercise of new share subscription rights during the period between the day after the stock split base date and the final day of the shareholders meeting (the number of shares that can be received through the exercise of new share subscription rights shall hereafter be referred to as “the number of shares receivable through the exercise of new share subscription rights prior to the stock split”), the number of shares of the common stock obtained by calculation using the following calculation formula shall be delivered. Amounts of less than one whole share shall be rounded down.

$$\text{Number of shares} = \frac{(\text{Exercise price before adjustment} - \text{Exercise price after adjustment}) \times \text{Number of shares receivable through the exercise of new share subscription rights prior to the stock split}}{\text{Exercise price after adjustment}}$$

(b) With respect to an exercise price after adjustment determined using the adjustment formula given in (I) (b) preceding, the exercise price after adjustment shall be deemed to come into effect on the day after the date of payment for the stock issue or disposal in question (if a payment period rather than a payment date is specified, then the exercise price after adjustment shall be deemed to come into effect on the day after the final day of the payment period; if there is a shareholder record date, then the exercise price after adjustment shall be deemed to come into effect on the day after the relevant record

date).

(III) In cases other than those specified in (I) (a) and (b) preceding, in the event that YONDOSHI HOLDINGS carries out a statutory merger, corporate separation or exchange of shares, and / or an adjustment in the exercise price is required due to an event of another kind after the allotment date, the Company may adjust the exercise price affected subject to a meeting of YONDOSHI HOLDINGS' Board of Directors where appropriate in a reasonable manner.

(7) Method of calculation of the amount to be paid upon allotment of the new share subscription rights

No payment of money shall be required in exchange for new share subscriptions rights. The issuance of new share subscriptions rights is provided as incentive compensation. The fact that there is no payment of money does not constitute an advantageous issuance.

(8) The exercise period for new share subscription rights

The exercise period shall be from December 14, 2020 to December 13, 2023

(9) Conditions for the exercise of new share subscription rights

(I) The exercise of new share subscription rights is strictly limited to holders who are directors and executive officer of YONDOSHI HOLDINGS INC. or directors and executive officer of the Company's subsidiaries. However, a holder may exercise new share subscription rights that have been allotted despite having lost the status of director and executive officer of YONDOSHI HOLDINGS INC. or director and executive officer of the Company's subsidiaries if the loss was due to the natural expiration of the term of directorship or other reasonable cause.

(II) Other conditions relating to the exercise of new share subscription rights shall be as prescribed in the Share Subscription Rights Allotment Agreement concluded between YONDOSHI HOLDINGS INC. and new share subscription right allotment eligible parties.

(10) Matters concerning the capital and capital reserve to be increased due to the issuance of shares upon exercise of new share subscription rights

(I) The amount of capital to be increased due to the issuance of shares upon exercise of new share subscription rights shall be a half of the maximum amount of capital increase, etc. which is calculated in accordance with Article 17, Paragraph 1 of the Corporation Accounting Regulations, and any fraction less than one yen arising therefrom shall be rounded up to the nearest one yen.

(II) The amount of capital reserve to be increased due to the issuance of shares upon exercise of new share subscription rights shall be the amount determined by deducting the amount of capital to be increased provided for in (I) preceding from the maximum amount of capital increase, etc. set forth in (I) preceding.

(11) Conditions for and matters concerning the acquisition of new share subscription rights

If any of the proposals set forth in (I), (II), (III), (IV) and (V) that follow is approved at a general meeting of shareholders of YONDOSHI HOLDINGS INC. (or, if a resolution of a general meeting of shareholders is not required, is resolved at the Board of Directors of YONDOSHI HOLDINGS INC. or determined by the Executive Officer who has been delegated such determination pursuant to the provisions of Article 416, Paragraph 4 of Corporations Acts), the Company may acquire new share subscription rights without compensation on the date to be separately determined by the Board of Directors

(I) Proposal for approval of a merger agreement under which the Company shall become a dissolving company;

(II) Proposal for approval of split agreement or split plan under which the Company shall be split;

(III) Proposal for approval of a stock exchange agreement or stock transfer plan under which the Company shall become a wholly owned subsidiary;

(IV) Proposal for approval of an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of all shares to be issued by the Company shall require the approval of the Company; and

(V) Proposal for approval of an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of a class of shares to be issued or transferred upon exercise of new share subscription rights shall require the approval of the Company or that the Company may acquire all of such class of shares upon a resolution of a general meeting of shareholders.

(12) Limitations on the acquisition of new share subscription rights by way of transfer

Any and all acquisition of new share subscription rights by way of transfer must be approved by YONDOSHI HOLDINGS' Board of Directors.

(13) Matters concerning the delivery of new share subscription rights in accordance with the acts of structural reorganization

If YONDOSHI HOLDINGS INC. conducts a merger (limited to the case where the Company ceases to exist due to the merger), an absorption-type or incorporation-type company split (both, limited to the case where the Company is split), or a stock exchange or transfer (both, limited to the case where the Company becomes a wholly owned subsidiary) (hereinafter collectively referred to as the "acts of structural reorganization"), the Company shall, in each of the above cases, deliver the new share subscription rights of any of the relevant companies listed in "a" through "e" of Article 236, Paragraph 1, Item 8 of Corporation Act (hereinafter referred to as the "reorganized company") to the holders

holding the new share subscription rights remaining at the time immediately preceding the effective date of the relevant act of structural reorganization (hereinafter referred to as the “remaining new share subscription rights”) (the effective date of the relevant act of structural reorganization shall mean, in the case of a merger, the date on which the merger becomes effective; in the case of a consolidation, the date of establishment of a newly incorporated company through consolidation; in the case of an absorption-type company split, the date on which such absorption-type company split becomes effective; in the case of an incorporation-type company split, the date of establishment of a newly incorporated company through such incorporation-type company split; in the case of a stock exchange, the date on which the stock exchange becomes effective; and in the case of a stock transfer, the date of establishment of a wholly owning parent company through the stock transfer; hereinafter the same shall apply). However, the foregoing shall be on the condition that delivery of such new share subscription rights by the reorganized company in accordance with each of the following items is stipulated in a merger agreement, a consolidation agreement, an absorption-type company split agreement, an incorporation-type company split plan, a stock exchange agreement or a stock transfer plan.

(I) Number of new share subscription rights of the reorganized company to be delivered

A number equal to the number of the remaining new share subscription rights held by the holder shall be delivered to such holder

(II) Class of shares of the reorganized company to be issued or transferred upon the exercise of the new share subscription rights

Shares of common stock of the reorganized company

(III) Number of shares of the reorganized company to be issued or transferred upon the exercise of the new share subscription rights

To be determined in accordance with (4) preceding, taking into consideration the conditions, etc. of the act of structural reorganization

(IV) Amount of assets to be contributed upon the exercise of the new share subscription rights

The amount of assets to be contributed upon the exercise of each new share subscription right to be delivered shall be the amount obtained by multiplying the exercise price after reorganization by the number of shares of the reorganized company to be issued or transferred upon the exercise of the relevant new share subscription rights to be determined in accordance with (III) preceding, taking into consideration the exercise price stipulated under (5) preceding and the conditions, etc. of the act of structural reorganization

(V) Period during which new share subscription rights may be exercised:

From and including whichever is the later of the commencement date of the period during which the new share subscription rights may be exercised as provided for in (8) preceding or the effective date of the act of structural reorganization, to and including the expiry date of the period during which the Stock Acquisition Rights may be exercised as provided for in (8) preceding

(VI) Matters concerning the capital and capital reserve to be increased due to the issuance of shares upon the exercise of new share subscription rights

To be determined in accordance with (10) preceding

(VII) Restrictions on acquisition by way of transfer of new share subscription rights

Acquisition by way of transfer of the stock acquisition rights shall require an approval of the Board of Directors of the reorganized company.

(VIII) Conditions for the exercise of new share subscription rights

To be determined in accordance with (9) preceding

(IX) Conditions for and matters concerning the acquisition of new share subscription rights

To be determined in accordance with (11) preceding

(14) Handling of fractions less than one share resulting from the exercise of new share subscription rights

In the case where the number of shares to be delivered to the holders who have exercised the new share subscription rights includes any fraction less than one share, such fraction shall be disregarded.

(15) Date on which the new share subscription rights shall be allotted

December 13, 2018