

News Release Dated September 23, 2020

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Notice Concerning Reduction in Compensation for Directors and Executive Officers

The COVID-19 outbreak has severely impacted all of the business units of the AOKI Group because of temporary closings and reduced operating hours of stores, the overall decline in economic activity, and other effects of this crisis. Due to these events, the AOKI Holdings Board of Directors approved a resolution on May 8, 2020 to reduce compensation for directors and executive officers as follows for the four-month period beginning in May 2020. At this time, it is still impossible to determine when this crisis will end and how much the economy will subsequently recover.

In consideration of the enormous support and cooperation provided by stakeholders during this difficult time, the AOKI Group's current results of operations, and other factors, the Board of Directors approved a resolution today to continue the reduction in the compensation of the directors and executive officers of AOKI Holdings and all consolidated subsidiaries as follows.

1. Board of Directors' resolution on May 8, 2020

(1) Reduction in compensation and bonuses of directors and executive officers

	AOKI Holdings		Consolidated subsidiaries	
	Compensation for directors and executive officers	July 2020 bonus	Compensation for directors and executive officers	July 2020 bonus
Representative directors	30% of monthly compensation	100%	10% of monthly compensation	100%
Executive vice presidents	20% of monthly compensation	100%		50%
Directors who are AOKI Group executives	10% of monthly compensation	50%		30%
Directors and executive officers*	10% of monthly compensation	30%		30%

*Excluding external directors

(2) Compensation reduction period

Four months from May to August 2020

2. Board of Directors' resolution on September 23, 2020

(1) Reduction in compensation and bonuses of directors and executive officers

	AOKI Holdings	Consolidated subsidiaries
Representative directors	30% of monthly compensation	10% of monthly compensation
Executive vice presidents	20% of monthly compensation	
Directors who are AOKI Group executives	10% of monthly compensation	
Directors and executive officers*	10% of monthly compensation	

*Excluding external directors

(2) Compensation reduction period

Seven months from September 2020 to March 2021