WORLD HOLDINGS

February 18, 2021

Company name:	WORLD HOLDINGS CO., LTD.
Representative:	Eikichi Iida, Chairman and President
Listing:	Tokyo Stock Exchange, First Section
Stock code:	2429
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Notice Concerning Issuance of Stock Acquisition Rights as Tax-qualified Stock Options

The Board of Directors of World Holdings Co., Ltd. (the "Company") approved a resolution on February 18, 2021 to submit a proposal to shareholders for approval to give the directors the authority to determine the terms of share acquisition rights, issued as tax-qualified stock options, to be distributed to directors (excluding outside directors) of the Company and its subsidiaries and employees of the Company and its subsidiaries, pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act. This proposal will be submitted at the shareholders meeting scheduled for March 19, 2021.

1. Reason for the need to grant stock options with favorable terms

The stock options are to be granted for the purposes of motivating directors (excluding outside directors) of the Company and its subsidiaries and employees of the Company and its subsidiaries to increase consolidated sales and earnings of the Group as a whole, improving the ability to recruit skilled people, and contributing to the growth of corporate value.

2. Recipients of the stock options

Directors (excluding outside directors) of the Company and its subsidiaries and employees of the Company and its subsidiaries

3. Stock option terms, maximum number of shares and other items that can be decided based on the proposal to be submitted at the shareholders meeting

(1) Class and number of shares to be issued upon exercise of the stock options

Maximum of 300,000 shares of common stock of the Company, of which the class and the maximum number of shares to be issued upon exercise of the stock options allotted to directors (excluding outside directors) shall be 100,000 shares of common stock of the Company.

The number of shares granted will be adjusted using the following formula if, after the allotment date of the stock options, the Company conducts a common stock split (including gratis allocations of common stock of the Company, the same applied hereafter) or a stock consolidation. However, this adjustment will be performed only for shares applicable to the stock options that have not been exercised at the time of the split or consolidation. Furthermore, any fraction of less than one share resulting from the adjustment is discarded.

$$\text{Number of shares granted after adjustment} = \text{Number of shares granted before adjustment} \times \text{Ratio of stock split or stock consolidation}$$

(2) Number of stock options

Maximum of 3,000 units (100 shares are received upon the exercise of each stock option, but if the number of shares is adjusted as described in the preceding item (1), the number of shares granted will be adjusted in the same manner), of which the maximum number of stock options to be allotted to directors (excluding outside directors) shall be 1,000 units.

(3) Payment required in exchange for the stock option

No payment is required to receive the stock options.

(4) Value of assets to be contributed upon the exercise of the stock options

The value of assets to be contributed when a stock option is exercised is the number of shares granted multiplied by the amount paid per share (the "exercise price"). The exercise price is calculated by multiplying by 1.05 the average closing price of common stock of the Company on the Tokyo Stock Exchange in each day (except days when there was no trading of this stock) of the month preceding the month in which the stock options were allocated. Any fraction of less than one yen is rounded up. However, if the resulting exercise price is less than the closing price on the allotment date of the stock options (or the nearest prior closing price if there is no trading of common stock of the Company on the allotment date), this closing price will instead be the exercise price.

If the Company conducts a stock split or a stock consolidation after the allotment date of the stock options, the exercise price will be adjusted using the following formula and fractions less than one yen resulting from the adjustment will be rounded up.

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

If the Company issues new shares of common stock or disposes of its treasury shares at prices less than the market price after the allotment date of the stock options (excluding the issuance of new shares and disposition of treasury shares in association with the exercise of the stock options), the exercise price will be adjusted using the following formula and fractions of less than one yen resulting from the adjustment will be rounded up.

$$\text{Exercise price after adjustment} = \text{Exercise price before adjustment} \times \frac{\text{Number of issued shares} + \dfrac{\text{Number of newly issued shares} \times \text{Amount to be paid per share}}{\text{Market price}}}{\text{Number of issued shares} + \text{Number of newly issued shares}}$$

In this formula, the number of issued shares is the number of shares of common stock issued after deducting common stock held as treasury shares. Also, if treasury shares are used for the stock distributed when a stock option is exercised, the number of newly issued shares is instead the number of treasury shares used and the amount to be paid per share is instead the amount paid per treasury share.

Furthermore, if the Company merges with another company or conducts a divestiture after the stock option allotment date and an adjustment of the exercise price is needed, the Company will adjust the price within reasonable limits.

(5) Exercise period

The exercise period begins on the first day of the month following the month of the stock option allotment date that is two years after this date and ends on March 19, 2031.

(6) Conditions for exercising the stock options

When a stock option is exercised, the holder of the stock option must be a director or employee of the Company or any of its subsidiaries. However, former directors of the Company or a subsidiary who left because they reached the end of their term of office and former employees of the Company or a subsidiary who left because they reached the mandatory retirement age are exempt from this requirement.

(7) Reasons and conditions for the Company to acquire the stock options

1) When a stock option holder is no longer qualified to exercise a stock option due to the provisions of the preceding item (6), the Company can acquire that individual's stock options without compensation.

2) If the shareholders of the Company approve a proposal for a merger in which the Company is dissolved, a contract for an exchange of stock that makes the Company a wholly owned subsidiary or a proposal for a stock transfer plan, the Company can acquire the stock options without compensation.

(8) Restrictions on the transfer of stock options

Transfers of ownership of stock options require the prior approval of the Company's Board of Directors.

(9) Matters pertaining to capital stock and legal capital surplus that would increase upon stock issuance by the exercise of the stock options

1) The increase in capital stock when new shares are issued upon the exercise of stock options is 50% of the maximum limit of a capital increase as calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules. Any fraction of less than one yen arising from the calculation will be rounded up.

2) The increase in legal capital surplus when new shares are issued upon exercise of the stock options is the maximum increase in capital in 1) above less the increase in capital stock as stipulated in 1) above.

(10) Other terms for the stock options will be determined separately by resolutions of the Company's Board of Directors.

Note: The stock options will be granted as described in this release only if shareholders approve the resolution titled "Issuance of share acquisition rights as tax-qualified stock options" at the shareholders meeting to be held on March 19, 2021.