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FOR IMMEDIATE RELEASE

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**Announcement of the Introduction of a Performance-Linked  
Stock Compensation Plan for Directors**

The Company is pleased to announce that, at its meeting held on February 9, 2016, the Board of Directors passed the resolution to introduce a new Performance-Linked Stock Compensation Plan (hereinafter referred to as the “Plan”) for the Directors (excluding Outside Directors) of the Company, and that the Company has decided to submit a proposal for introduction of the Plan, whose detailed contents are provided below, to the 92<sup>nd</sup> Annual General Meeting of Shareholders to be held on March 24, 2016 (hereinafter referred to as the “Shareholders’ Meeting”).

**1. Purpose for Introduction of the Plan**

- (1) Remuneration, etc. for the Directors of the Company comprises basic remuneration (a fixed monthly amount) and bonuses (yearly performance-linked amounts). In addition to the short-term performance-linked bonuses, the Asahi Group has now decided to introduce a new Performance-Linked Stock Compensation Plan as a long-term performance-linked scheme. This is to increase motivation to work toward the Group’s continued medium- to long-term growth as well as increasing the value of the Company.
- (2) The Plan would not only motivate the Directors to strive harder to accomplish their performance goals but also help them share the benefits and risks of stock price fluctuations with the Shareholders because stock price movements will significantly impact the actual amount of remuneration to be received by the Directors under the Plan.
- (3) Introduction of the Plan is subject to approval at the Shareholders’ Meeting; in addition, it must be noted that the Outside Directors will not be eligible for the Plan.

**2. Contents of the Plan**

**(1) Overview of the Plan**

The Plan is a performance-lined stock compensation system for the Directors (excluding Outside Directors) of the Company whereby the Company will grant points according to the level of the achievements of the Directors’ targeted performance benchmarks outlined in the “Medium-Term Management Plan” and, at the time of their

retirement, will distribute to them such number of shares of common stock of the Company as would be equivalent to the cumulative number of points theretofore granted to them.

In introducing the Plan, the Company will adopt a structure of a Stock Distribution Trust for Officers (hereinafter referred to as the "Trust") where the Company will create such Trust by contributing cash, the Trust will acquire shares of common stock of the Company and will then distribute such shares to eligible Directors.

## **(2) Persons eligible for the Plan**

Directors of the Company (excluding Outside Directors)

(Note) Outside Directors are not eligible for the Plan, which is closely linked to business performance on the grounds that the role they should play is to exercise supervision of the Company's management from an objective perspective that is independent of business execution.

## **(3) Performance-linked benchmark**

The Company will use earnings per share for the fiscal year ("EPS" <sup>(\*)</sup>) as the performance-linked benchmark, which will be linked to the number of points to be granted. EPS is one of the major benchmarks set in its "Medium-Term Management Plan," and the Company finds EPS suitable as a benchmark for determining part of the remuneration for the Directors of the Company, each of whom bears a responsibility for the enhancement of the enterprise value of the Asahi Group as a whole.

(\*) Earnings per share (EPS) = net income / average total number of shares outstanding during the term

## **(4) Method of calculating points to be granted to each Director**

Pursuant to the Stock Distribution Regulations prescribed by its Board of Directors, on the date of the meeting of the Board of Directors convened for the purpose of approving financial results for each fiscal year during the period of the Trust, the Company will grant to each Director a certain number of points according to his/her executive rank and the level of achievement of the targeted EPS for the Company's fiscal year ended most recently, on the basis of the following calculation formula; provided, however, that the aggregate number of points to be granted by the Company to the eligible Directors shall be up to a limit of twenty one thousand (21,000) points for each fiscal year.

[Calculation formula]

Base points based on executive rank <sup>(\*)</sup> x performance-linked payment rate <sup>(\*\*)</sup>

(\*) Base points based on executive rank will be calculated by multiplying basic remuneration with a certain ratio assigned to each executive rank of the Director concerned, and by dividing the product by a per-share book value of the shares of common stock of the Company held by the Trust.

$$\text{Base points} = \frac{\text{Basic remuneration} \times \text{Ratio assigned to executive rank}}{\text{Per-share book value of shares held by the Trust}}$$

(\*\*) Performance-linked payment rate will be set within the range of 0% to 150% according to the level of achievement of targeted EPS.

## **(5) Timing for distributing shares of common stock of the Company**

The timing for distributing shares of common stock of the Company to the eligible Directors will be when they retire from their office.

**(6) Upper limit on the amount of Trust Money to be contributed to the Trust as a source of funds with which to acquire shares of common stock of the Company**

During the period of the Trust (three years), the Company will create the Trust for the Directors fulfilling certain specific eligibility requirements as Beneficiaries by contributing cash of up to a limit of two hundred and twenty million yen (¥220,000,000) as funds for acquiring shares of common stock of the Company that need to be distributed to such eligible Directors under the Plan. The Trust will use the cash left in trust by the Company<sup>(\*)</sup> as the source of funds to acquire shares of common stock of the Company either through the stock market or by undertaking disposal of treasury shares of the Company.

(\*) The actual amount of cash to be left in trust by the Company will be equal to the sum of the abovementioned funds for acquisition of the shares of common stock of the Company and associated necessary expenses including trust fee and fee for the Trust Administrator.

At the time of expiration of the period of the Trust, the Board of Directors of the Company may resolve to keep the Plan in place by extending the period of the Trust every three years, in which case, with respect to each of the extended periods of the Trust, the Company will contribute cash of up to a limit of two hundred and twenty million yen (¥220,000,000) to the Trust as funds for acquiring additional shares of common stock of the Company that would need to be distributed to eligible Directors under the Plan; provided, however, that in cases where such an additional contribution is made and where any residual shares and/or cash exist within the trust property as of the last day of the period of the Trust prior to such extension(s), the upper limit of the amount of additional contributions will be ¥220,000,000 less an amount equivalent to such residual shares and/or residual cash. Furthermore, in such a case of extension, the Company will extend the Plan period in accordance with the length of continuation of the Plan and the relevant period of the Trust, and will continue to assign the points set forth in (4) above and distribute shares of its common stock as prescribed in (7) below within the extended period of the Trust. However, even where the Company does not continue to grant the points as above, if, at the time of expiration of the period of the Trust, there is any Director who is granted points but is not yet retired, the Company may decide to extend the period of the Trust until such time as he/she is retired and distribution of shares of common stock of the Company is completed.

**(7) Distribution of shares of common stock of the Company to each Director**

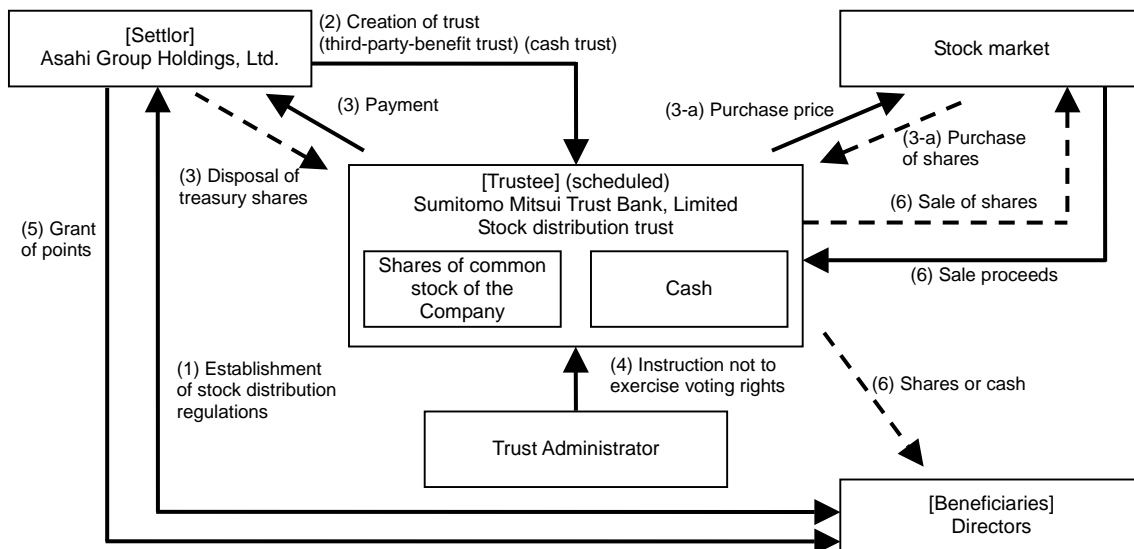
The number of shares of common stock of the Company to be distributed to each Director will be the number of points granted to him/her multiplied by a factor of one (1); provided, however, that if any share split, reverse share split or any other event for which it would be considered reasonable to adjust the number of shares occurs with respect to the shares of common stock of the Company, then the Company will make reasonable adjustments depending on the ratio of such stock split or reverse stock split.

Shares of common stock of the Company will be distributed from the Trust to each eligible Director after he/she performs the established beneficiary determination procedures at the time of his/her retirement. However, a certain specific portion of such shares will be sold and converted into cash within the Trust, and will be distributed in cash instead of the shares. If the shares of common stock of the Company left within the Trust are converted into cash such as when a tender offer is accepted and settled with respect to such shares, the Company may make a distribution in money instead of the shares.

## (8) Overview of the Trust

- (i) Name: Stock Distribution Trust for Officers
- (ii) Settlor: Asahi Group Holdings, Ltd.
- (iii) Trustee: Sumitomo Mitsui Trust Bank, Limited
- (iv) Beneficiaries: Eligible Directors fulfilling requirements of the Beneficiaries
- (v) Trust Administrator: The Company selects a third party who does not have any stake in the Company (scheduled)
- (vi) Trust type: Trust of money other than money trust (third-party-benefit trust)
- (vii) Date of Trust Agreement: May 2016 (scheduled)
- (viii) Date on which cash will be entrusted: May 2016 (scheduled)
- (ix) Trust period: From May 2016 (scheduled) to May 2019 (scheduled)

### A. Structure of the Trust



(Note) Dotted lines denote the movements of shares.

1. The Board of Directors of the Company will establish Stock Distribution Regulations intended for its Directors (excluding Outside Directors).
2. The Company will create a stock distribution trust (third-party-benefit trust) for Directors as Beneficiaries. When doing so, the Company will leave such amount of cash as to be equivalent to that for funds to acquire shares (limited to an amount within the purview approved by the Shareholders' Meeting) in trust with the Trustee.
3. The Trustee will acquire, in one lump, a sufficient enough number of shares of common stock of the Company that are expected to be distributed in future (either through the stock market or by disposing of treasury shares).
4. Throughout the period of the Trust, the Company will appoint a Trust Administrator (to be limited to be a party independent of the Company and its Directors and Corporate

Auditors) who is responsible for protecting the interests of the Beneficiaries who are covered by the Stock Distribution Regulations and supervising the Trustee., Throughout the period of the Trust, the Trust Administrator will give instructions not to exercise any voting rights associated with the shares of common stock of the Company kept within the Trust.

5. Pursuant to the Stock Distribution Regulations, the Company will grant points to the eligible Directors.
6. The Directors fulfilling requirements prescribed in the Stock Distribution Regulation and the Trust Agreement will receive, as Beneficiaries of the Trust, a distribution of shares of common stock of the Company equivalent to the cumulative number of points from the Trustee. In certain specific cases set forth in advance in the Stock Distribution Regulations and the Trust Agreement, the Company will sell part of the distributable shares kept within the Trust in the stock market and distribute cash.

#### B. Creation of the Trust

Subject to approval of the proposed introduction of the Plan being given by the Annual General Meeting of Shareholders, the Company will create the Trust by contributing the funds necessary for the Trust to acquire, in advance for a certain specific period of time, such number of shares of common stock of the Company as is reasonably expected to be required for distribution pursuant to (7) above. As discussed in Item D below, the Trust will acquire shares of common stock of the Company by applying the funds contributed by the Company as a source of its funds.

#### C. Period of the Trust

The period of the Trust will be approximately three years, starting in May 2016 (scheduled) and ending in May 2019. As stated in (6) above, this period of the Trust may be extended.

#### D. Method of Acquisition by the Trust of Shares of Common Stock of the Company

The Company plans to have the Trust initially acquire shares of its common stock through the stock market or by disposing of treasury shares held by the Company within the upper limit of the funds for acquiring shares of common stock of the Company as stipulated in (6) above, but will resolve at the Board of Directors meeting and disclose further details of the acquisition method after obtaining approval at the Annual General Meeting of Shareholders.

If, during the period of the Trust, due to an increase in the number of Directors or any other cause, the number of shares of common stock of the Company kept within the Trust becomes short of that corresponding to the number of points to be granted to the eligible Directors during the period of the Trust, the Company may have the Trust acquire additional shares by leaving additional cash in trust within the scope of the upper limit on the trust money approved by the Annual General Meeting of Shareholders as stated in (6) above.

#### E. Exercise of the Voting Rights

Pursuant to the instructions of the Trust Administrator who will be independent of the Company and its Directors and Corporate Auditors, the voting rights associated with the shares kept within the Trust will not be exercised without exception, which will assure the neutrality of the Company's management in relation to exercise of the voting rights of such shares.

#### F. Handling of Dividends

Dividends on the shares of common stock of the Company kept within the Trust will be received by the Trust, and will be applied towards payment for acquisition of the shares of common stock of the Company, trust fees for the Trustee associated with the Trust, etc.

G. Handling of Trust Property at the Time of Termination of the Trust

Of the residual property left within the Trust at the time of termination of the Trust, the Company plans to acquire all of the residual shares of its common stock without charge and retire them by a resolution of the Board of Directors. Of the residual property left within the Trust at the time of termination of the Trust, pursuant to the provisions of the Stock Distribution Regulations and the Trust Agreement, the Company plans to donate a certain amount of residual cash to specified public-service promotion corporations bearing no stake in the Company and its Directors and Corporate Auditors.