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FOR IMMEDIATE RELEASE

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Announcement of Revision of Stock Compensation Plan for Directors

Asahi Group Holdings, Ltd (the “Company”) has resolved to revise the stock compensation plan in accordance with the revision of the compensation plan for directors at the board meeting held today, and it will be proposed at the 95th annual general meeting of shareholders scheduled to be held on March 26, 2019 (the "Meeting") .

1. Reason for the proposal and reasons justifying such revision of the compensation plan

In 2016, the Company introduced a “Performance-Linked Stock Compensation Plan” (hereinafter referred to as the “Current Plan”) in order to increase the motivation of the Company’s Directors (excluding the Outside Directors) to strive for sustainable growth and the enhancement of corporate value over the medium- to long-term. As medium- to long-term variable remuneration, the objective of the plan was to increase the motivation to strive for sustainable growth over the medium- to long-term by having Directors share in the benefits and risks of stock price fluctuations with the shareholders because stock price movements will significantly impact the actual amount of remuneration received in addition to linking remuneration to the Company’s three-year performance.

Meanwhile, the Company decided to review the incentive schemes for Directors in 2018 in view of the changes in the Asahi Group, given the expansion of the growth platform due to the acquisition of European business, and the future direction and vision for the Group. The Company newly established a “medium-term bonus plan” as a new incentive scheme linked to medium-term management policy and made revisions to the “annual bonus plan” that strengthened the incentives for performance in a single fiscal year.

The medium-term bonus plan is a bonus plan using the financial value indicator and the social value indicator as its performance indicators, linked to the targets of medium-term management policy, with its aim to strongly motivate the achievement of medium-term (three-year) targets.

The annual bonus plan is being revised to strongly motivate a sustained improvement of financial values and the achievement of the targets. The revision includes a change in an evaluation method such as combining the year-on-year comparison with the budget achievement ratio in order to clarify the difference between the annual bonus plan and the medium-term bonus plan, and to strongly motivate consistent achievement of the targets.

Both medium-term bonus plan and annual bonus plan aim to maximize the exercise of each director's abilities. Also, we are introducing a personal performance evaluation in order to appropriately reward them according to their degree of contribution.

Based on the aforementioned background, in conjunction with the updating of the Current Plan, the Company decided to revise the details of the stock compensation plan for the Company's Directors based on the review of its Director incentive schemes and strengthen the function played by the overall compensation plan as an incentive for the Directors. Specifically, the motivation for achieving medium-term performance, which is a function of the current plan, will be shifted to the newly established medium-term bonus plan and strengthened (the medium-term bonus plan sets financial value indicators and social value indicators linked to the objectives of medium-term management policy as performance indicators), while the post-revision stock compensation plan (hereinafter referred to as the "New Plan") is focused on "providing incentives to the Directors to continually enhance corporate value over the long term" and "sharing benefits and risks with shareholders to create a plan" in which the Directors enjoy or bear the benefits and risks of stock price fluctuations due to the impact of performance, the external economic environment, and other factors from the same standpoint as shareholders.

As for the Outside Directors, they will not be covered under the new scheme. (Basic compensation is applied for an external director. No bonuses applied.).

Comparison of Various Incentive Systems for the Directors

	Annual bonus	Medium-term bonus	Stock compensation
Period	Single fiscal year	3 years	3 years
Payment method	Cash	Cash	Stock
Payment timing	March every year	March of the year following completion of medium-term plan	On retirement
Performance indicators (weighting)	Consolidated core operating profit (50%) Profit attributable to owners of parent (50%)	Financial value indicators (60%) Social value indicators (40%)	(No)
Individual evaluation	Yes	Yes	(No)
Clawback (repayment of remuneration provision)	(No)	(No)	Yes

2. Amount and contents of compensation under the New Plan

(1) Overview of the New Plan

The New Plan is a long-term stock compensation system for the Directors (excluding Outside Directors) (hereinafter referred to as the "Directors") of the Company whereby the Company will grant points every year according to the executive rank and roles of the Directors 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. Under the New Plan, in the same way as in the Current Plan, the Company will adopt a Stock Distribution Trust for Officers structure (hereinafter referred to as the "Trust") where the Company will create such Trust by contributing cash, and the Trust will acquire shares of common stock of the Company and then distribute these shares to eligible Directors. In

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

(2) 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 role; 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 five thousand (25,000) points for each fiscal year.

(3) 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

Under the New Plan, the Company shall make additional cash contributions to the Trust already set up on December 28, 2016, of not more than ¥300 million during the three-year period running from the fiscal year ending on December 31, 2019 to the fiscal year ending December 31, 2021 (hereinafter referred to as the “Target Period,” as funds to acquire the shares of the Company required for distribution of shares of the Company to Directors, and shall continue the Trust with Directors that meet certain requirements as its beneficiaries. The Trust shall use the additional cash payments to the Trust by the Company (together with any cash remaining in the Trust before the additional payments were made) as a source of funds to acquire shares of the Company in the stock market, or to acquire shares by undertaking the disposal of the Company’s treasury shares. Furthermore, by a resolution of the Board of Directors of the Company, the Target Period may be extended for a period of three years, along with the Trust Period (this includes the effective extension of the Trust Period by means of transferring the assets of the Trust to a trust set up by the Company for the same purpose), so as to continue the Plan. In that event, the Company will make additional cash contributions to the Trust, during the extended portion of the Target Period, up to a limit of ¥300 million, as additional funds to acquire shares of the Company required for distribution to Directors under the Plan. Furthermore, in such a case of extension, the Company will continue to assign the points set forth in (2) above and distribute shares of its common stock as prescribed in (4) 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.

- (*) The actual amount of additional 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.

(4) 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.

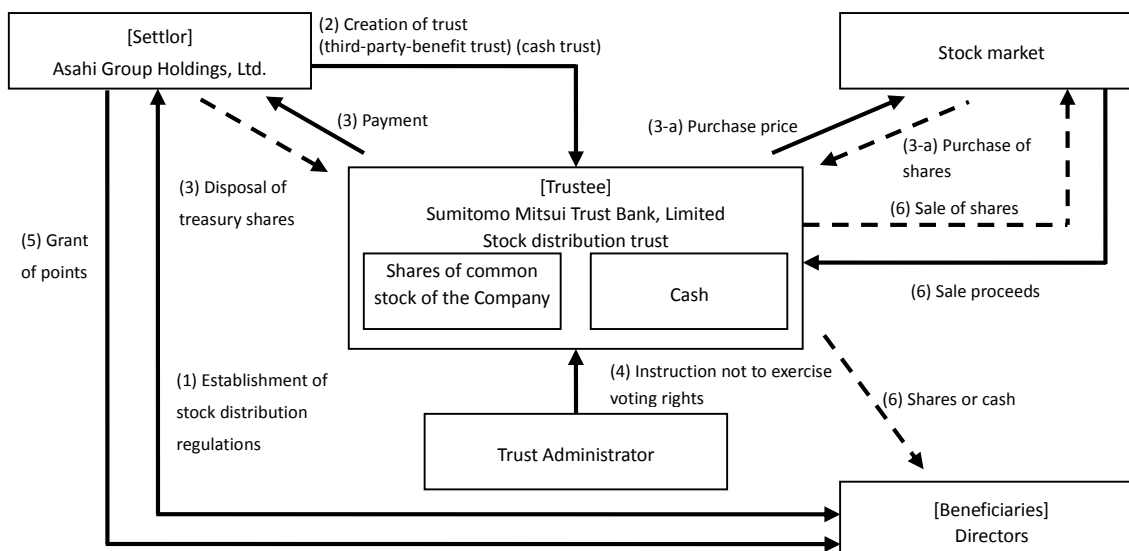
Shares of common stock of the Company will be distributed from the Trust to each eligible

Director after he/she performs the established beneficiary determination procedures at the time of his/her retirement. In addition, individuals who have undistributed shares of the Company equivalent to the number of points granted under the Current Plan shall be distributed, by the Trust, shares of the Company equivalent to the points awarded under the New Plan. Also, in cases where the Company is required to deduct at source in order to remit assets for the withholding tax, etc., under certain circumstances corresponding to situations prescribed in the Stock Distribution Regulations and in the Trust Agreement, part of the shares of the Company that should be distributed shall be sold for cash, which shall be distributed in place of the shares of the Company.

(5) 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 interest in the Company, the Company’s subsidiaries, or any director and corporate auditor, or corporate officer belonging thereto
- (vi) Trust type: Trust of money other than money trust (third-party-benefit trust)
- (vii) Date on which additional cash will be entrusted: May 2019 (scheduled)
- (viii) Trust period: From December 2016 to June 2022 (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) (On this occasion, the intention is to amend existing regulations that formed the basis the previous plan.).
2. With regard to the Trust set up with Directors as beneficiaries on December 28, 2016, after extending the Trust Period, the Company shall make additional contributions

(additional payments to the trust) equivalent to the funds needed to acquire shares to the Trustee (however, this shall be within the monetary limits approved by a General Meeting of Shareholders).

3. The Trustee shall use the funds within the Trust (including, as described in 2. above, any cash remaining in the Trust before the additional payments were made, in addition to those payments), to acquire, in one lump, shares of the Company equivalent to the number expected to be distributed going forward (depending on whether this is achieved by disposal of treasury shares, or by purchases in the stock market).
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, the Company's subsidiaries, or any director and corporate auditor, or corporate officer belonging thereto) 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. Additional payments to the Trust

Subject to approval of the proposed introduction of the Plan being given by this Annual General Meeting of Shareholders, the Company will create the Trust by making additional contributions of the funds necessary for the Trust to acquire, in advance and for a certain specific period of time, the number of shares of common stock of the Company that can reasonably be expected to be required for distribution as described in (4) above. As discussed in Item D below, the Trust will acquire, in one lump, shares of common stock of the Company by applying the funds contributed by the Company (together with any cash remaining in the Trust before the additional payments were made), as a source of its funds.

C. Period of the Trust

The period of the Trust was set up to run from December 28, 2016, to the end of June 2019, but it is scheduled to be extended to the end of June 2022. However, as described in (3) above, the 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 acquire shares of its common stock through the stock market or by disposing of treasury shares held by the Company.

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 this Annual General Meeting of Shareholders as stated in (3) 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 who does not have any interest in the Company, the Company's subsidiaries, or any Director and Corporate Auditor, or Corporate Officer belonging thereto.