

February 1, 2010

To whom it may concern

Asahi Holdings, Inc.  
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(Code No.: 5857, First Section of the Tokyo Stock Exchange)  
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### **Announcement concerning the disposal of treasury stock through third-party allocation**

At a meeting held on February 1, 2010, the Board of Directors resolved to dispose of treasury stock through third-party allocation. The details are as follows.

#### 1. Fundamentals

(1) Date of the disposition	February 16, 2010
(2) No. of shares	522,200 shares
(3) Share price	JPY 1,436 per share
(4) Amount to be raised	JPY 749,879,200
(5) Subscription / disposition method	Disposition by third-party allocation
(6) Assignee (trustee)	Sumitomo Mitsui Banking Corporation (Asahi Employee Stock Ownership Committee Trust Account)
(7) Other information	N/A

#### 2. Purposes and Rationale

At today's Board of Directors' meeting, the decision was taken to adopt an employee stock ownership plan (ESOP) that is linked to the Asahi Employee Stock Ownership Committee with a view to enhancing and strengthening corporate governance by heightening the degree of commitment to company decisions among members of the Committee, and raising the morale of Committee members by offering them an incentive to increase the value of this company (for an overview of this structure, please see the "Announcement concerning the adoption of an Employee Stock Ownership Committee-linked Employee Stock Ownership Plan" of February 1, 2010). This disposition of treasury stock is to be executed through third-party allocation to Sumitomo Mitsui Banking Corporation (Asahi Employee Stock Ownership Committee Trust Account) as the trustee of the trust ("this trust", hereunder) that is to be set up in connection with the establishment of this ESOP for the purpose of handling the ownership and disposition of company stock.

3. Amount to be raised, its application and planned expenses

(1) Amount to be raised

Disposition totaling: JPY 749,879,200  
Estimated expenses: JPY 0  
Estimated after-tax balance: JPY 749,879,200

(2) Specific application of funds raised

The funds raised through the disposition of treasury stock are to be used, in their entirety, as operating capital as of February 16, 2010.

4. Opinion on the rationality of this application of the funds

The proposed application will contribute to the management of this company and is considered to be reasonable.

5. Rationality of terms and conditions

(1) Basis for the calculation of amounts to be paid and the specific terms of the transaction

In view of recent share price fluctuations, the average closing price of Asahi Holdings, Inc. stock on the Tokyo Stock Exchange in the month (December 30, 2009 to January 29, 2010) immediately preceding the Board Meeting at which the decision on this disposition was taken, i.e. JPY 1,436 (rounded down to the nearest yen), is to be taken as the amount to be paid per share. Using the average price for the immediately preceding month is considered to be rational in that it eliminates arbitrariness and special factors, etc.

Further, the amount payable per share (i.e. JPY 1,436) corresponds to a divergence of +4.59% against the closing price (JPY 1,373) on the working day preceding this disposition decision (January 29, 2010), a divergence of -2.51% against the average closing price (JPY 1,473) of company stock during the past three months (October 30, 2009 to January 29, 2010), and a divergence of -7.65% against the average closing price (JPY 1,555) of company stock during the past six months (July 31, 2009 to January 29, 2010), and as such is not considered to be a particularly advantageous disposal price.

(2) Grounds for considering the number of shares to be disposed of and the scale of the stock dilution to be rational

The number of shares to be disposed of corresponds to the number of shares that are to be purchased by the Asahi Employee Stock Ownership Committee through Sumitomo Mitsui Banking Corporation (Asahi Employee Stock Ownership Committee Trust Account) during the term of this trust arrangement and is based on recent annual share purchasing records of the Committee; the dilution equates to 1.44% of outstanding shares (or 1.63% of the 321,204 shares carrying voting rights as of September 30, 2009), which is minimal. Moreover, this disposal of treasury stock assumes that the assignee is to execute the sales transactions in respect of Asahi Employee Stock Ownership Committee Trust purchases, this latter constituting the trust that is to be set up upon the introduction of the Committee-linked ESOP, and as such is expected to have minimal impact on the secondary market.

In conclusion, this disposal of treasury stock will have minimal impact and, as such, is deemed to be rational.

6. Reasons for choice of assignee (trustee)

(1) Overview of the assignee (trustee)

① Name: Sumitomo Mitsui Banking Corporation (Asahi Employee Stock Ownership Trust Account)

② Content of the trust agreement

Assignor: Asahi Holdings, Inc.

Trustee: Sumitomo Mitsui Banking Corporation

Beneficiaries: Members of the Asahi Employee Stock Ownership Committee and former members that satisfy certain conditions

Date of trust agreement: February 1, 2010

Term of trust agreement: February 1, 2010 to March 31, 2015

## (Reference) Overview of the Trustee

(1)	Company name	Sumitomo Mitsui Banking Corporation		
(2)	Head office	1-2, Yurakucho 1-chome, Chiyoda-ku, Tokyo		
(3)	Name & post of representative	Masayuki Oki, President		
(4)	Business	Banking, trust services		
(5)	Capital stock	JPY 664,986 million (as of March 31, 2009)		
(6)	Date of establishment	June 6, 1996		
(7)	No. of outstanding shares	Common stock: 56,355,849 shares (as of March 31, 2009) Preferred stock (1 <sup>st</sup> series, type 6): 70,001 shares (as above)		
(8)	Accounting term	March 31		
(9)	No. of employees	37,345 (consolidated) (as of March 31, 2009)		
(10)	Main customer	The bank offers a wide range of services and has numerous customers		
(11)	Main bank	—		
(12)	Major stockholder and their holding	Sumitomo Mitsui Financial Group, 100%		
(13)	Relationship with Asahi Holdings, Inc.			
	Capital ties	N/A		
	Personal ties	N/A		
	Business relations	Banking transactions, trust transactions		
	Relations with related parties	N/A		
(14)	Financial results and cash position for the past three years			
	Accounting term	Fiscal 2007	Fiscal 2008	Fiscal 2009
	Net assets (consolidated)	5,412,458	5,080,747	4,518,647
	Total assets (consolidated)	98,570,638	108,637,791	115,849,385
	Net asset value per share (consolidated)	67,823.69	60,442.81	41,492.54
	Operating income (consolidated)	2,925,665	3,411,052	2,989,608
	Consolidated profit	716,697	734,958	59,285
	Net income (consolidated)	401,795	351,820	-317,306
	Net income per share (JPY)	7,072.09	6,132.91	-5,740.34
	Dividend per share (JPY)	763	1,487	1,638

(Unit: Million JPY. Excluding items specified elsewhere.)

## ③ Relations between the listed company and the assignee (trustee)

Asahi Holdings, Inc. has no capital ties, personal ties or business relations with the assignee (trustee). The assignee (trustee) has no business interest in this company, either. Note that the assignee (trustee) is a regular member of the Tokyo Stock Exchange.

## (2) Reasons for the choice of assignee (trustee)

In association with the adoption of an Employee Stock Ownership Committee-linked ESOP and pursuant to the aforementioned Trust Agreement, the disposal of Asahi Holdings' treasury stock is to be executed by the Sumitomo Mitsui Banking Corporation as the trustee of this trust.

(3) Holding policy of the assignee (trustee)

The assignee (trustee), Sumitomo Mitsui Banking Corporation (Asahi Employee Stock Ownership Committee Trust Account), pursuant to the aforementioned Trust Agreement, shall hold the stock in question for the duration of this trust agreement for the purpose of handling the sales transactions for Asahi Stock Ownership Committee purchases.

The plan is for the assignee (trustee) to offer that company stock that falls into the category of trust assets for sale on a regular and continuous basis corresponding to the scheduled purchases to be made by the Asahi Stock Ownership Committee, however, in the event that the stock being disposed of via this transaction is transferred by the assignee (trustee), in whole or in part, during the two-year period from the scheduled date of payment (February 16, 2010), the assignee (trustee) has consented to tender a written report stating the name, address, number of share transferred, transfer date, transfer price, reasons for the transfer and transfer method to this company without delay.

(4) Confirmation of the availability of assignee (trustee) assets as required for payment

The assignee (trustee) intends to procure the funds necessary to make this payment through borrowing, and confirmation is to be obtained as to the intention of Sumitomo Mitsui Banking Corporation to loan the requisite amount, pursuant to the financial trust agreement concluded with the assignee (trustee) on February 1, 2010, by the date of this disposition transaction.

7. Major stockholders and their holdings following this disposition

Pre-transaction		Post-transaction	
Asahi Holdings, Inc.	11.14%	Asahi Holdings, Inc.	9.70%
Mitsuharu Terayama	4.01%	Mitsuharu Terayama	4.01%
Masamichi Terayama	3.87%	Masamichi Terayama	3.87%
TERA ENTERPRISE, Co., Ltd.	3.72%	TERA ENTERPRISE, Co., Ltd.	3.72%
Japan Trustee Services Bank, Ltd. (trust account)	3.45%	Japan Trustee Services Bank, Ltd. (trust account)	3.45%
K&M Co., Ltd.	2.48%	K&M Co., Ltd.	2.48%
The Master Trust Bank of Japan, Ltd. (trust account)	2.15%	The Master Trust Bank of Japan, Ltd. (trust account)	2.15%
The Bank of New York Mellon Corporation 132561 (Standing proxy: Mizuho Corporate Bank, Ltd. Settlement and Clearing Services Division)	2.00%	The Bank of New York Mellon Corporation 132561 (Standing proxy: Mizuho Corporate Bank, Ltd. Settlement and Clearing Services Division)	2.00%
Sachiko Hanai	1.78%	Sachiko Hanai	1.78%
Junichi Mitsuzono	1.76%	Junichi Mitsuzono	1.76%

(Note) The information on major stockholders and their holdings following this disposal transaction is based on the list of company shareholders of September 30, 2009.

8. Procedures required by the Code of Corporate Conduct

Since the stock dilution resulting from this transaction is less than 25% and this disposition involves no transfer of controlling shareholders, it is not necessary to execute the procedures set forth in Rule 432 of the Tokyo Stock Exchange Securities Listing Regulations, which require an independent, unbiased third-party opinion and confirmation of shareholder willingness.

9. Matters relating to transactions, etc. with the controlling shareholders

This transaction does not involve any dealings, etc. with the controlling shareholders.

10. Outlook for the future

The impact on current earnings forecasts is expected to be minimal.

11. Financial results and equity finance position for the past three years

(1) Financial results for the past three years (consolidated)

This company was founded on April 1, 2009, thus there is nothing to report under this heading.

(2) Outstanding and residual shares (as of February 1, 2010)

	Number of shares	Percentage of outstanding shares
Number of outstanding shares	36,254,344	100.0%
Number of residual shares at the current conversion price (exercise price)	—	— %
Number of residual shares at the minimum conversion price (exercise price)	—	— %
Number of residual shares at the maximum conversion price (exercise price)	—	— %

(3) Recent share price movements

① Share price movements during the past three years

This company was founded on April 1, 2009, thus there is nothing to report under this heading.

② Share price movements during the past six months (yen)

	August	September	October	November	December	January
Opening price	1,788	1,626	1,536	1,475	1,464	1,420
High	1,819	1,755	1,600	1,610	1,549	1,483
Low	1,590	1,506	1,365	1,416	1,394	1,372
Closing price	1,600	1,523	1,555	1,450	1,424	1,373

③ Share price on the business day preceding the disposition resolution (yen)

	January 29, 2010
Opening price	1,394
High	1,400
Low	1,372
Closing price	1,373

(4) Equity finance position during the past three years

This company was founded on April 1, 2009, thus there is nothing to report under this heading.

12. Disposition information

(1) Number of shares being disposed of: 522,200

(2) Disposal price: ¥1,436 per share

(3) Total amount of the disposition: 749,879,200

(4) Method: Transfer to Sumitomo Mitsui Banking Corporation (Asahi Employee Stock Ownership Committee Trust Account)

(5) Payment date: February 16, 2010

(6) Treasury stock following the transaction: 3,516,867 shares

(Note, however, that this figure does not include purchases of odd lot shares made on or after February 1, 2010)