

May 13, 2010

Company name: Asahi Holdings, Inc.
Representative: Mitsuharu Terayama, CEO & COO
(Code No.: 5857, First Section of the Tokyo Stock Exchange)
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To whom it may concern:

Notice Regarding the Granting of Stock Options (Stock Acquisition Rights)

Asahi Holdings, Inc. (hereinafter referred to as the “Company”) has resolved at the meeting of its Board of Directors, held on May 13, 2010, to make the following proposals at the 1st Ordinary General Meeting of Shareholders’, to be held on June 16, 2010.

- Stock acquisition rights shall be issued, without compensation, to the directors, executive officers, and senior employees of the Company and the Company’s subsidiaries, as stock options, pursuant to the provisions of Articles 236, 238, and 239 of the Companies Act.
- Matters regarding the offering shall be determined and delegated to the Board of Directors of the Company.
- Stock acquisition rights shall be issued to the Company’s directors as compensation.

Treasury shares shall be allotted to the shares delivered upon the exercise of stock acquisition rights.

The Company hereby announces the following:

1. Reasons for issuing the stock acquisition rights as stock options
Stock acquisition rights are issued to directors, executive officers, and senior employees of the Company and the Company’s subsidiaries for the purpose of further enhancing their motivation and willingness to improve the Group’s consolidated performance, contributing to the enhancement of the Company’s corporate value and further reinforcing its financial standing.
2. Details of the stock acquisition rights
 - (1) Persons eligible for the allotment of stock acquisition rights
This applies to directors, executive officers, and senior employees of the Company and the Company’s subsidiaries.
 - (2) Class and number of shares underlying the stock acquisition
The upper limit shall be 250,000 shares of the Company’s common shares.
The number of shares to be acquired upon the exercise of one (1) stock acquisition right (hereinafter referred to as the “Number of Granted Shares”) shall be 100 shares. In case the Company conducts a share split (including the allotment of common shares without compensation) or a share consolidation after the date of the allotment of stock acquisition rights, or in any cases where adjustments to the Number of Granted Shares are called for, the Number of Granted Shares shall be adjusted in accordance with the

formula set forth below (any fractional shares of less than one whole share shall be omitted). However, such adjustment will be made only with respect to the Number of Granted Shares pertaining to the stock acquisition rights that have not yet been exercised at that time.

Number of Granted Shares after Adjustment

= Number of Granted Shares before Adjustment x Share splits or the Share Consolidation Ratio

Furthermore, in case the Company, after the date of the allotment of stock acquisition rights, conducts a merger, company split, share exchange, or share transfer (hereinafter referred to as “Merger and Other Events.”); or if there occurs any event that would require such adjustment, the Number of Granted Shares shall be adjusted (any fractional share of less than one whole share shall be omitted) to the extent reasonable. However, such adjustment will be made only with respect to the Number of Granted Shares pertaining to the stock acquisition rights that have not yet been exercised at that time.

- (3) Total number of stock acquisition rights to be offered
Up to 2,500 stock acquisition rights shall be offered.
- (4) Money to be paid in exchange for the granting of stock acquisition rights
No payment shall be required in exchange for the stock acquisition rights.
- (5) Amount of assets to be contributed upon exercise of the stock acquisition rights
Assets to be contributed upon the exercise of stock acquisition rights shall be in the form of cash, and the amount shall be the amount obtained by multiplying the amount to be paid for one share (hereinafter referred to as the “Paid-in Price”) to be delivered upon the exercise of each stock acquisition right by the Number of Granted Shares.

The Paid-in Price will be the greater of the product of the multiplication of 1.05 and the average of the closing price (hereinafter referred to as the “Closing Price”) of the common shares of the Company on the Tokyo Stock Exchange on each day (excluding days on which no trading is made) of the month prior to the month to which the date of allotment belongs (with any fractional amounts of less than one (1) yen being rounded up to the nearest one yen) and the Closing Price (or if there is no Closing Price on said date, the Closing Price of the date immediately preceding said date) of the date of allotment.

In the event that any of the following events occur after the date of the allotment of stock acquisition rights, the Paid-in Price shall be adjusted accordingly,

- 1) If the Company conducts a share split (including the allotment of common shares without compensation) or a share consolidation after the date of the allotment of stock acquisition rights, or in any cases where adjustments to the Paid-in Price are called for, the Paid-in Price shall be adjusted in accordance with the formula set forth below, with any fractional amounts of less than one (1) yen being rounded up to the nearest one yen.

$$\text{Paid-in Price after Adjustment} = \text{Paid-in Price before Adjustment} \times \frac{1}{\text{Share split or Share Consolidation Ratio}}$$

- 2) If the Company issues new shares at a price lower than the market price thereof or disposes of treasury shares (excluding cases where the Company issues new shares or disposes of treasury shares pursuant to the exercise of the stock acquisition rights that they may claim for issuance of the Company's common shares [including those attached to bonds with stock acquisition rights]), the Paid-in Price shall be adjusted in accordance with the formula set forth below, with any fractional amounts of less than one (1) yen being rounded up to the nearest one yen.

$$\text{Paid-in Price After Adjustment} = \text{Paid-in Price Before Adjustment} \times \frac{\text{Total number of newly issued shares} \times \text{Paid-in Price per share} + \text{Market price} \times \text{Total number of issued shares}}{\text{Total number of shares issued} + \text{Number of newly issued shares}}$$

In the above formula, the “Total number of issued shares” refers to the number obtained by subtracting the number of treasury shares held by the Company from the number of shares outstanding. In the case of the disposal of treasury shares, the “Number of newly issued shares” should be replaced with the “Number of disposed treasury shares,” and the “Paid-in Price per share” should be replaced with the “Disposal price per share” in the formula.

- 3) In the event that the Company conducts a Merger and Other Events, or in any other similar cases requiring adjustment of the Paid-in Price, adjustments deemed necessary by the Company shall be made to the Paid-in Price.
- (6) Period during which the stock acquisition rights may be exercised
This period shall be within three (3) years from the date following the second anniversary of the date of the allotment of stock acquisition rights.
- (7) Other conditions for the exercise of stock acquisition rights
- 1) All modes of disposal of stock acquisition rights, including the transfer or pledging of shares to a third party, shall require separate approval of the Board of Directors.
 - 2) Each person to whom the stock acquisition rights are allotted (hereinafter referred to as an “Allottee”) when exercising the stock acquisition rights must hold the position of a director, executive officer, or senior employee of the Company, the Company’s subsidiaries, or the Company’s affiliates; provided, however, that this shall not apply to cases that have been specially approved by the Company’s Board of Directors, including cases where a director or corporate auditor of the Company, the Company’s subsidiary, or the Company’s affiliate, loses such position due to the expiry of the term of office

or retirement, details of which shall be set forth in the Agreement Concerning the Allotment of Stock Acquisition Rights.

- 3) Other conditions, including events for returning stock acquisition rights to the Company from each Allottee and restrictions on the exercise of stock acquisition rights, shall be set forth in the Agreement Concerning the Allotment of Stock Acquisition Rights.

(8) Events and conditions for the Company's acquisition of stock acquisition rights

In the event that a proposal for the approval of an agreement for an absorption-type merger (*kyushu gappei*), an incorporation-type merger (*shinsetsu gappei*), an absorption-type demerger (*kyushu bunkatsu*), an incorporation-type demerger (*shinsetsu bunkatsu*), a share exchange (*kabushiki kokan*), or a stock transfer (*kabushiki iten*) is approved by the Company's shareholders (or by the Board of Directors if no resolution of a shareholders' meeting is required for such approval), and if the Board of Directors has determined the date on which an acquisition is to be made, the Company shall be entitled to acquire the stock acquisition rights, without compensation, on said date.

(9) Matters regarding the increase in capital stock and capital surplus when shares are issued upon exercise of stock acquisition rights

- 1) The amount of capital stock increased through the issue of shares will be one half (1/2) of the maximum amount of increases of capital stock, etc., to be calculated in accordance with Article 17, paragraph 1 of the Companies Accounting Regulations. Any fractional amount of less than one (1) yen resulting from such calculation will be rounded to one (1).

- 2) The amount of capital surplus increased through the issue of shares will be the amount of the maximum amount of increases of capital stock, etc., mentioned in 1) above, after the subtraction of the increased amount of capital stock mentioned in 1) above.

(10) Fair market value of stock acquisition rights

The amount of stock acquisition rights to be issued to the directors of the Company, as remuneration, will be calculated using the Black-Scholes model, on the basis of various conditions, including the Company's stock price and Paid-in Price, applicable on the allotment date.

(11) Restrictions on the acquisition of shares through transfer

The acquisition of stock acquisition rights by way of transfer requires the approval of the Board of Directors.

(12) Delegation of determination of matters for offering

In addition to those specified above, any matters concerning the offering of the stock acquisition rights and other details are to be determined by a resolution of the Board of Directors of the Company.