

**TRANSLATION FOR REFERENCE PURPOSE ONLY**

*This notice has been translated from the original Japanese text of the timely disclose statement and is for reference purpose only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.*

May 11, 2015

To whom it may concern:

Company Name: **Asahi Holdings, Inc.**  
Representative: Mitsuharu Terayama, President & CEO  
(Code: 5857, First Section of the Tokyo Stock Exchange)  
Contact: Katsuya Murashima, Corporate Planning &  
Communications Department Manager  
(Phone: +81-3-6270-1833)

**Notification of the adoption of a performance-based stock compensation plan for executives**

At the Board of Directors meeting held on May 11, 2015, Asahi Holdings resolved to adopt a new performance-based stock compensation plan and placed the proposed adoption of the new plan on the agenda for the 6th Annual General Meeting of Shareholders scheduled to be held on June 16, 2015. At the same time, in Asahi Holdings subsidiaries (Asahi Pretec Corp., Japan Waste Corp., and Asahi Americas Holdings, Inc., etc.; hereinafter referred to as "participating subsidiaries," together with Asahi Holdings, they comprise the "participating companies"), the Board of Directors of each participating subsidiary resolved to adopt the new performance-based stock compensation plan (the new performance-based stock compensation plan to be adopted by Asahi Holdings and participating subsidiaries, hereinafter referred to as "the plan ") and placed the proposed adoption of the plan on the agenda of each respective participating subsidiary's Annual General Meeting of Shareholders scheduled for mid-June 2015. (The Annual General Meetings of Shareholders of Asahi Holdings and participating subsidiaries are hereinafter referred to as "the General Meetings of Shareholders.") Notification of these matters is hereby given, as follows.

**Details**

1. Adoption of the plan

- (1) Asahi Holdings will adopt the plan with the aim of raising to an even higher level the motivation of directors (excluding outside directors, part-time directors, and audit committee members; below as well) of each participating company (hereinafter, "participating directors") to contribute to improving the performance of the Asahi Holdings Group and increasing its corporate value. It is an executive compensation plan strongly linked to company performance and is highly transparent and objective.
- (2) Adoption of the plan is contingent upon agreement thereto in the General Meetings of Shareholders of the participating companies.
- (3) The plan shall utilize a mechanism called a Board Incentive Plan Trust (BIP Trust). A BIP Trust is an executive incentive plan created with hints from the USA's performance share and restricted stock compensation plan. It is an executive compensation scheme in which participating directors receive Asahi Holdings stock as compensation according to their rank and achievement of performance goals.
- (4) When the term of the trust established to implement the plan ("the trust") expires, contingent upon approval of a proposal to continue the trust in the Annual General Meeting of Shareholders of each participating company three years later, Asahi Holdings shall extend the target period and the trust term in accordance with the scope of the approval of this Annual General Meeting of Shareholders resolution, and the plan shall remain in effect.

(Reference)

**[Overview of trust agreement]**

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|---|---|
| (1) Type of trust                             | Monetary trust other than a specified solely administered monetary trust (Third Party Beneficiary Trust)  |
| (2) Purpose of trust                          | Providing incentives to the Directors of Asahi Holdings, Inc.   |
| (3) Trustor                                   | Asahi Holdings, Inc.  |
| (4) Trustee                                   | Mitsubishi UFJ Trust and Banking Corporation (planned)<br>(Joint trustee: The Master Trust Bank of Japan, Ltd. (planned))   |
| (5) Beneficiary                               | Directors who meet the criteria for beneficiaries   |
| (6) Trust administrator                       | Third party that has no interest in Asahi Holdings (CPA)  |
| (7) Trust indenture date                      | February 2016 (planned)   |
| (8) Trust period                              | February 2016 (planned) to August 2018 (planned)  |
| (9) Plan launch date                          | February 2016 (planned)<br>(awarding of points to start on March 31, 2016)  |
| (10) Exercise of voting rights                | Not to be exercised   |
| (11) Type of stock acquired                   | Asahi Holdings' common shares   |
| (12) Maximum amount of funds for contribution | 513 million yen (planned) (including Trust fees and Trust expenses)   |
| (13) Rights holder                            | Asahi Holdings, Inc.  |
| (14) Remaining assets                         | Asahi Holdings as the rights holder shall be entitled to receivable assets remaining after deductions for stock purchases from the funds within the scope of the fund reserved for expenses for trust assets. |

**[Overview of details of business associated with the Trust and stock]**

|                            |   |
|----------------------------|---|
| (1) Trust-related business | It is planned that Mitsubishi UFJ Trust and Banking Corporation and Master Trust Bank of Japan, Ltd., will be the trustees of the Trust to handle trust-related business.           |
| (2) Stock-related business | It is planned that Mitsubishi UFJ Morgan Stanley Securities will handle business related to transferring Asahi Holdings' shares to beneficiaries on an outsourcing agreement basis. |