

October 31, 2016

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President & CEO: Takuya Shimamura  
(Code Number: 5201; TSE 1st section)  
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## **Notice regarding Change in the Number of Shares per Share Unit, Share Consolidation and Partial Amendment of Articles of Incorporation**

Asahi Glass Co., Ltd. (“the Company”) hereby announces that, at its Board of Directors Meeting held today, it resolved to change the number of shares per share unit, to amend part of its Articles of Incorporation, and to submit a proposal for the share consolidation to the Company’s Ordinary General Meeting of Shareholders to be held late March, 2017 (“the Ordinary General Meeting of Shareholders”) as described below.

### **1. Change in the number of shares per share unit**

#### (1) Reason for change

Based on the “Action Plan for Consolidating Trading Units,” the Japanese Stock Exchanges seek to standardize the trading units for common shares issued by all listed domestic corporations at 100 shares by October 1, 2018. As a corporation listed on Tokyo Stock Exchange, the Company respects the purport of this plan and will change its number of shares per share unit from 1,000 shares to 100 shares.

#### (2) Details of change

The Company will change the number of shares per share unit from 1,000 to 100.

#### (3) Effective date

July 1, 2017

#### (4) Conditions for change

This change is subject to approval of the proposal concerning the “2. Share Consolidation” in the following section at the Ordinary General Meeting of Shareholders. Partial amendment of the Company’s Articles of Incorporation associated with this change takes place following the resolution of the Board of Directors Meeting pursuant to Paragraph 1, Article 195 of the Companies Act.

### **2. Share Consolidation**

#### (1) Purpose of consolidation

The Company will consolidate five (5) shares into one (1) share in order to adjust the investment unit to an appropriate level when it changes the number of shares per share unit from 1,000 shares to

100 shares as stated in the above “1. Change in the number of shares per share unit”.

(2) Details of consolidation

(i) Class of shares to be consolidated: Common shares

(ii) Consolidation ratio: Every five (5) shares will be consolidated into one (1) share on July 1, 2017 based on the number of shares held by shareholders recorded in the Register of Shareholders as of the end of the day on June 30, 2017.

(iii) Decrease in number of shares due to consolidation

Number of outstanding shares before share consolidation (as of June 30, 2017)	1,186,705,905
Decrease in number of shares after share consolidation	949,364,724
Number of outstanding shares after share consolidation	237,341,181

Note: “Decrease in number of shares after share consolidation” and “Number of outstanding shares after share consolidation” are theoretical figures calculated based on the number of outstanding shares before share consolidation and the consolidation ratio.

(iv) Total number of authorized shares on the effective date

The total number of authorized shares will decrease at the same rate as that of share consolidation.

Total number of authorized shares Company before change	2,000,000,000 shares
Total number of authorized shares Company after change	400,000,000 shares

(3) Decrease in number of shareholders due to consolidation

The following is the composition of shareholders listed in the Register of Shareholders as of June 30, 2016.

	Number of Shareholders (%)	Number of Shares Held (%)
Total	65,374 (100.00%)	1,186,705,905 (100.00%)
Less than 5	655 (1.00%)	1,211 (0.00%)
5 or more	64,719 (99.00%)	1,186,704,694 (100.00%)

After the share consolidation on the assumption of the above shareholder composition, 655 shareholders who hold less than five (5) shares (the total number of shares held by those shareholders is 1,211) will lose their status as shareholders.

However, before the share consolidation comes into effect, these shareholders may require the Company to purchase their shares constituting less than one share unit in accordance with Paragraph 1, Article 192 of the Companies Act, or to sell an additional number of shares which constitutes one share unit together with such shares already owned by the shareholder in accordance with Paragraph 1, Article 194 of the Companies Act and Article 8 of the Company’s Articles of Incorporation.

(4) Handling of fractional shares less than one (1) share

If a fraction of less than one (1) share is created due to the share consolidation, all such fractional shares will be sold together in accordance with the Companies Act, and the proceeds will be distributed to shareholders who held the fractional shares in proportion to the number of fractional

shares they held.

(5) Conditions for consolidation

The share consolidation is subject to approval at the Ordinary General Meeting of Shareholders.

**3. Partial amendment of the Company’s Articles of Incorporation**

The Company’s Articles of Incorporation will be amended as follows on July 1, 2017, which is subject to the approval of the proposal regarding above “2. Share Consolidation” at the Ordinary General Meeting of Shareholders.

(Underlines reflect the amendments)

Current Articles of Incorporation	Proposal of amendments of Articles of Incorporation
<p>Article 5. (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be <u>two billion (2,000,000,000) shares.</u></p>	<p>Article 5. (Total Number of Authorized Shares) The total number of authorized shares of the Company shall be four hundred million <u>(400,000,000) shares.</u></p>
<p>Article 7. (Number of shares to Constituting One Unit) <u>One thousand (1,000) shares</u> of the Company shall constitute one Unit.</p>	<p>Article 7. (Number of shares Constituting One Unit) <u>One hundred (100) shares</u> of the Company shall constitute one Unit.</p>

**4. Schedule**

Resolution at the Board of Directors meeting	October 31, 2016
Resolution at the Ordinary General Meeting of Shareholders	Late March, 2017 (provisional)
Effective date of change in the number of shares per share unit, share consolidation, and partial amendment of the Articles of Incorporation	July 1, 2017 (provisional)

As described above, while the effective date of the change in the number of shares per share unit and the share consolidation will be July 1, 2017, the trading unit will be changed from 1,000 shares to 100 shares at the Tokyo Stock Exchange on June 28, 2017 because of the book-entry procedure following trades of shares.

(Reference)

## Q&A regarding Change in the Number of Shares per Share Unit and Share Consolidation

Q1. What is a change in the number of shares per share unit?

A1. A change in the number of shares per share unit means a change in the share units which are the basis for the number of voting rights at a general meeting of shareholders and the number of trading units on the stock exchanges. The Company will change the number of shares per share unit from 1,000 shares to 100 shares.

Q2. What is a share consolidation?

A2. A share consolidation means consolidating a number of shares to reduce the number of shares. The Company will consolidate five (5) shares into one (1) share.

Q3. What is the purpose of the change in the number of shares per share unit and the share consolidation?

A3. The Japanese Stock Exchanges are promoting the “Action Plan for Consolidating Trading Units,” which aims to standardize the trading units (the number of shares per share unit) for common shares issued by all listed domestic corporations at 100 shares, with the transition period being set to expire on October 1, 2018. In light of the intent of this plan, the Company decided to change the number of shares per share unit from 1,000 shares to 100 shares as of July 1, 2016.

In addition, in order to adjust the investment unit to an appropriate level, the Company decided to carry out a share consolidation of the Company shares under which every five (5) shares will be consolidated into one (1) share.

Q4. How will the number of shares and voting rights of shareholders be affected?

A4.

<Number of shares>

The number of shares held by each shareholder after the share consolidation will be the number of shares obtained by multiplying the number of shares recorded in the latest Register of Shareholders as of the end of the day on June 30, 2017 by one-fifth (rounded down to the nearest whole share).

<Number of voting rights>

The number of voting rights will be one (1) per 100 shares held after the share consolidation. Specifically, the number of shares held and number of voting rights before and after the change in the number of shares per share unit and the share consolidation are as follows:

	Before Effective Date		After Effective Date		
	Number of Shares Held	Number of Voting Rights	Number of Shares Held	Number of Voting Rights	Fractional Shares
Example.1	1,263	1	252	2	0.6
Example.2	1,000	1	200	2	None
Example.3	665	None	133	1	None
Example.4	337	None	67	None	0.4
Example.5	4	None	None	None	0.8

- With respect to shares less than one share unit created in Example 1 Example 3 and Example 4, (after the changes come into effect, 52 shares in Example 1, 33 shares in Example 3 and 67 shares in Example 4), the shareholders may, at its request, use the system for selling or purchasing shares constituting less than one share unit in the same way as before.
- With respect to fractional shares created in Example 1, Example 4 and Example 5, the Company will sell such fractional shares (less than one (1) share) in a lump, and pay the proceeds to shareholders whose shares become fractional shares in proportion to the number of their respective fractional shares. The payment is scheduled to be made in early September, 2017.
- As for shareholders who have only less than five (5) shares (as in Example 5) prior to the effective date of the share consolidation, all shares held will become fractional shares as a result of the share consolidation, and therefore lose its status as a shareholder.

In the case where a shareholder has accounts open with multiple securities companies, in principle, the share consolidation procedures will be carried out with respect to the balance of the Company shares registered in the transfer account book of each securities company. Please inquire your securities company for details.

Q5. Is there any way to ensure there are no fractional shares?

A5. By requesting sale or purchase of shares constituting less than one share unit prior to the share consolidation coming into effect, it is possible to avoid having fractional shares.

Your securities dealer will take requests for sale or purchase of shares constituting less than one share unit. For shareholders without an account with a securities company, please inquire with the administrator of the shareholder registry mentioned at the end of this document.

Q6. The number of shares held will decline after the share consolidation. Will this have any impact on asset value?

A6. Although the number of shares held by a shareholder will be one-fifth after the share consolidation, the Company's assets and capital will remain unchanged after the share consolidation. This means, aside from share market trends and other factors, in theory, there will be no change to

the asset value of shareholders' shares. This is because, after the share consolidation, there will be a fivefold increase in the amount of net assets per share.

Q7. The number of shares held will decline after the share consolidation. Will this affect dividends?

A7. Although the number of shares held by shareholders will be one-fifth after the share consolidation, we will set dividend per share taking the 1-for-5 ratio into account after the effective date of the share consolidation. Thus, aside from change in performance results or other factors, total dividends of each shareholder after the share consolidation will not be affected. However, dividends will not be paid on the fractional shares resulting from the share consolidation.

Q8. Are there any procedures that shareholders must take?

A8. No special procedures are necessary.

Q9. What is the specific schedule going forward?

A9. The summary (planned) schedule for the change in the number of shares per share unit and the share consolidation is as follows:

Early February, 2017	Board of Directors Meeting (resolution to convene a general meeting of shareholders)
Late March, 2017	Ordinary General Meeting of Shareholders
June 28, 2017*	First day of trading using 100 share unit
July 1, 2017*	Effective date of the change in the number of shares per share unit and the share consolidation
Late July, 2017*	Share consolidation allotment notices sent to shareholders
Early September, 2017*	Beginning of payment of proceeds from sale of fractional shares

\*These events are scheduled to take place if the proposal for the share consolidation will be approved in the Ordinary General Meeting of Shareholders scheduled to be held on Late March, 2017.

[Contact information for Inquiries]

If you have any inquiries about the change in the number of shares per share unit and the share consolidation, please contact your securities companies or the following administrator of shareholder registry.

10-11 Higashisuna 7-chome, Koto-ku Tokyo, Japan 137-8081 Securities Agency Division Mitsubishi UFJ Trust and Banking Corporation Tel: 0120-232-711 (toll free) Office hours: 9:00 am-5:00 pm (excluding Saturdays, Sundays and National holidays)
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