

February 10<sup>th</sup>, 2010

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## **Notice regarding Ordinary-Type Stock Options (Stock Acquisition Rights)**

Asahi Glass Co., Ltd. (the “Company”) has announced the decision at the meeting of its Board of Directors on February 10<sup>th</sup>, 2010 to propose an agenda to the 85<sup>th</sup> Ordinary General Meeting of Shareholders to be held on March 30<sup>th</sup>, 2010, to seek approval of entrusting the Board of Directors with the decision on matters concerning the offering of stock acquisition rights (as stock options) pursuant to Articles 236, 238 and 239 of the Corporate Law of Japan.

### **1. Reasons for the issuance of stock acquisition rights**

The stock acquisition rights are issued on advantageous terms to employees of the Company and directors and employees of the Company’s subsidiaries, etc., to further enhance their motivation and willingness to improve the Group’s performance, and to contribute to enhancing the Company’s corporate value.

The stock acquisition rights are granted free of charge since they are issued as stock options. The acquisition price for the shares upon execution of the stock acquisition rights will be based on the market price of the Company’s common shares at the time of issuance of the stock acquisition rights.

### **2. Outline of the issuance of the stock acquisition rights**

#### **(1) Persons eligible to the allotment of the stock acquisition rights:**

The company shall allot stock acquisition rights to employees of the Company and directors and employees of the Company’s subsidiaries, etc., as determined by a resolution of the Board of Directors meeting.

#### **(2) Class and number of shares underlying to the stock acquisition rights:**

The upper limit of common share to be granted is 340,000 shares.

The number of shares to be issued or transferred upon exercise of one Stock Acquisition Right (hereinafter referred to as the “Number of Granted Shares”) shall be 1,000 shares. In case the Company conducts a share split (including any allotment of common shares in the Company free of charge; hereafter the same shall apply to descriptions of share splits) or any share consolidation for its common shares after the date when the resolution was

passed at the General Meeting of Shareholders (hereinafter referred to as the “Date of the Resolution”), the Number of Granted Shares shall be adjusted in accordance with the formula set forth below and any fraction less than one whole share arising therefrom shall be rounded down to the nearest one whole share.

$$\frac{\text{Post-Adjustment Number of Granted Shares}}{\text{Pre-Adjustment Number of Granted Shares}} = \times \frac{\text{Share split ( or share consolidation ) ratio}}{\text{ratio}}$$

In addition to the above, the Number of Granted Shares shall be adjusted to the extent reasonable in the event there occurs any event that would require such adjustment after the Date of the Resolution.

(3) Maximum number of stock acquisition rights to be offered:

Up to 340 stock acquisition rights

(4) Money to be paid in exchange for grant of stock acquisition rights:

No payment shall be required to be paid in view of the purpose of the issuance of stock acquisition right.

(5) Method of Calculation of the amount of the property to be provided as contribution upon the exercise of the stock acquisition rights:

The amount of the property to be provided as contribution upon the exercise of each Stock Acquisition Right shall be the amount calculated by multiplying the amount of exercise price to be paid per share (hereinafter referred to as the “Exercise Price”) by the Number of Granted Shares.

The Exercise Price shall be the average of closing price (including quotations, hereinafter referred to as the “Closing Price”) of the common shares in the Company on the Tokyo Stock Exchange on each day during a 30-day trading period (excluding days on which there is no closing price) commencing on the 45<sup>th</sup> trading day prior to the next day of the date of allotment of the Stock Acquisition Rights (hereinafter referred to as the “Allotment Date”), and any fraction less than one yen arising therefrom shall be rounded up to the nearest one yen; provided, however, that, if such calculated price is lower than the Closing Price on the Allotment Date, then the Exercise Price shall be equal to the amount of the Closing Price on the Allotment Date.

In the case where the Company conducts any share split or share consolidation after the Allotment Date, the Exercise Price shall be adjusted in accordance with the formula shown below and any fraction less than one yen arising therefrom shall be rounded up to the nearest one yen.

$$\frac{\text{Post-adjustment Exercise Price}}{\text{Pre-adjustment Exercise Price}} = \times \frac{1}{\text{Share split (or share consolidation) ratio}}$$

In the case where the Company issues new common shares or disposes of its treasury shares at a price lower than the market price at the time, the Exercise Price shall be adjusted in accordance with the formula shown below, and any fraction less than one yen arising therefrom shall be rounded up to the nearest one yen.

However, the adjustment to the Exercise Price shall not be made when the issuance of new share or the disposal of treasury share is made pursuant to the exercise of the Stock Acquisition Rights (including those attached to bonds with Stock Acquisition Rights) or in exchange for acquisition by the Company of its bonds with stock acquisition rights.

$$\text{Post-adjustment Exercise Price} = \text{Pre-adjustment Exercise Price} \times \frac{\text{Total number of issued shares} + \frac{\text{Number of newly issued shares} \times \text{Amount of subscription money per share}}{\text{Market price immediately prior to the issuance}}}{\text{Total number of issued shares} + \text{Number of newly issued shares}}$$

In the above formula, “Total number of issued shares” denotes the number obtained by subtracting the number of shares of treasury common share owned by the Company from the number of shares of outstanding common share. In the case of any disposal of treasury shares, the formula shall be applied by replacing “Number of newly issued shares” with “Number of disposed treasury shares”, and “Market price immediately prior to the issuance” with “Market price immediately prior to the disposal”.

(6) Period during which the Stock Acquisition Rights may be exercised:

The period shall be determined by the Board of Directors and shall be within the period of 10 years of the Allotment Date.

(7) Matters regarding the amount of capital and capital reserve to be increased:

- i. The amount by which the capital will be increased as a result of the issuance of shares upon the exercise of the Stock Acquisition Rights shall be the “maximum amount of increase in capital, etc.” to be calculated in accordance with Paragraph 1, Article 17 of the Corporate Calculation Rules multiplied by 0.5 (with any fraction less than one yen arising therefrom rounded up to the nearest one yen).
- ii. The amount by which the capital reserve will be increased as a result of the issuance of shares upon the exercise of the Stock Acquisition Rights shall be the above-mentioned “maximum amount of increase in capital, etc.” minus the above-mentioned amount of capital increase.

(8) Restrictions on transfer of the Stock Acquisition Rights:

Transfer of the Stock Acquisition Rights shall be subject to an approval of the Board of Directors of the Company.

(9) Event and conditions of acquisition of Stock Acquisition Rights:

The Company may acquire the Stock Acquisition Rights from the Holders free of charge on a date to be separately designated by the Board of Directors of the Company in the event:

- i. A merger agreement under which the Company shall be the dissolving company is approved by a resolution of the general meeting of shareholders;
- ii. A demerger agreement or a demerger plan under which the Company shall be the transferor is approved by a resolution of the general meeting of shareholders; or
- iii. A statutory share exchange (*kabushiki kokan*) agreement or a statutory share transfer (*kabushiki iten*) agreement under which the Company shall be the wholly-owned subsidiary is approved by a resolution of the general meeting of shareholders.

(10) Cancellation of the Stock Acquisition Rights or the grant of the Stock Acquisition Rights by the successor company in relation to the organizational restructuring:

In the case where the Company conducts any merger (limited to cases where the Company is the dissolving company), demerger by transfer to an existing company (*kyushu-bunkatsu*), demerger by transfer to a newly established company (*shinsetsu-bunkatsu*), statutory share exchange (*kabushiki kokan*) or statutory share transfer (*kabushiki iten*) (collectively, hereinafter referred to as the “Organizational Restructuring”), each person that holds the Stock Acquisition Rights that are outstanding immediately prior to the time at which the relevant Organizational Restructuring becomes effective (hereinafter referred to as the “Outstanding Stock Acquisition Rights”) shall be granted the stock acquisition rights to acquire shares in the respective “*kabushiki kaisha*” as set forth in Article 236, Paragraph 1, Item 8(a) to 8(e) of the Corporate Law (hereinafter referred to as the “Successor Company”), in which case, the Outstanding Stock Acquisition Rights shall be cancelled, and new stock acquisition rights shall be issued by the Successor Company; provided however, that this shall be on condition that the issuance of the stock acquisition rights by the Successor Company in accordance with the following terms and conditions is set forth in the relevant merger agreement, demerger agreement or demerger plan, statutory share exchange agreement or statutory share transfer plan:

i. Number of the stock acquisition rights to be issued by the Successor Company:

Same number as the Outstanding Stock Acquisition Rights held by the relevant Holder.

ii. Class of the shares underlying the stock acquisition rights:

Common shares in the Successor Company.

iii. Number of the shares underlying the stock acquisition rights:

To be determined in accordance with (2) above, upon taking into account the terms and conditions of the relevant Organizational Restructuring.

iv. Amount of the property to be provided as contribution upon the exercise of each stock acquisition right:

The amount of the property to be provided as contribution upon the exercise of each stock acquisition right shall be calculated by multiplying the exercise price (to be determined on the basis of the Exercise Price set forth in (5) above, and by making adjustments to reflect the terms and conditions of the relevant Organizational

Restructuring) by the number of shares underlying each stock acquisition right in iii. above.

v. Period during which the stock acquisition rights may be exercised:

The period commencing on the later of (i) the first day of the period during which the Stock Acquisition Rights may be exercised as set forth in (6) above or (ii) the date on which the relevant Organizational Restructuring becomes effective, and ending on the expiration date of the period during which Stock Acquisition Rights may be exercised as set forth in (6) above.

vi. Matters regarding the amount of capital and capital reserve to be increased:

To be determined in accordance with (7) above.

vii. Restrictions on transfer of the stock acquisition rights:

Transfer of the stock acquisition rights shall be subject to an approval of the Board of Directors of the Successor Company.

viii. Event and conditions of acquisition of the stock acquisition rights:

To be determined in accordance with (9) above.

(11) Treatment of fractional share arising from the exercise of the Stock Acquisition Rights:

If there arises any fractional share of less than one whole share as a result of exercising the Stock Acquisition Rights, such fractional share shall be rounded down to the nearest one whole share.

(12) Other Conditions for Exercise of Stock Acquisition Rights

i. No Stock Acquisition Rights may be exercised in part.

ii. Person to whom the Stock Acquisition Rights are allotted (hereinafter referred to as the "Allottee") may exercise such Stock Acquisition Rights in accordance with the Agreement Concerning Allotment of Stock Acquisition Rights (hereinafter referred to as the "Agreement") executed between the Company and the Allottee even after the Allottee loses his/her status as a director, executive officer or employee of the Company or of its affiliates.

iii. In case of the death of the Allottee, his/her heir may exercise the Stock Acquisition Rights of the Allottee in accordance with the Agreement.

iv. The Holder may not exercise any of the Stock Acquisition Rights that he/she has abandoned.

v. Other conditions for exercise shall be as set forth in the Agreement.

(Note) The above descriptions are contingent upon the approval of the agenda on the "Delegation to the Board of Directors of the decisions on the matters concerning the offering of stock acquisition rights issued as stock options to employees of the Company and directors and employees of the Company's subsidiaries, etc." at the 85<sup>th</sup> Ordinary General Meeting of Shareholders to be held on March 30<sup>th</sup>, 2010.