

[Translation]

February 15, 2008

Name of Company: Asahi Tec Corporation
Representative: Hideo Ishii
President & Representative Executive
Officer and co-CEO
Code No: 5606
Tokyo Stock Exchange 1st Section
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**ASAHI TEC CORPORATION Will Spin Off The Environmental System &
Equipment Business By Corporate Split
(Succeeding to Asahi Tec 100% owned subsidiary)**

Asahi Tec Corporation ("Asahi Tec" or "Split Company") announced that it had made a resolution at the board of directors held on February 14, 2008 that it will spin off the environmental system & equipment business ("Business") and succeed it to Asahi Tec Environmental Solutions Corporation, its wholly owned subsidiary established as of October 31, 2007 ("ATES" or "Succeeding Company") ("Corporate Split") effective as of April 1, 2008.

1. Purpose of Corporate Split

The principal business of the group which consists of Asahi Tec and its subsidiaries is production and sales of general formed and fabricated materials, which mainly consists of general automotive parts and aluminum wheel made from wrought aluminum, aluminum alloy casting, aluminum die casting, ductile cast iron, ordinal cast metal and wrought steel. It has global operations not only in Japan but also in Asian area, United States and Europe. The environmental system & equipment business subject to the Corporate Split, as a part of equipments and devices business of Asahi Tec, had been contributed to domestic public works with its business area such as pipe rehabilitation with respect to sewage works, squeezing of sewage works, environmental equipments and construction of sewage plant. Asahi Tec decided to establish ATES, its wholly owned subsidiary, and to succeed the environmental system & equipment business to it by the Corporate Split, because it is necessary to promote rapid decision-making and to improve business efficiency, in order to expand the environmental system & equipment business furthermore, while the group expands its global business as a supplier of automotive parts.

2. Details of Corporate Split

(1) Schedule of Corporate Split

Board of directors to resolve corporate split	Friday, February 14, 2008
Execution of the agreement for corporate split	Friday, February 15, 2008
Date corporate split is expected to occur (Effective Date)	Tuesday, April 1, 2008

* A shareholder meeting shall not be held, because the split procedures of split company (Asahi Tec) and the succeeding company (ATES) in the Corporate Split falls under small size split (*kani bunkatsu*) procedure and short form split (*ryakusiki bunkatsu*) procedure.

(2) Method of Corporate Split

Physical split (*butteki bunkatsu*), in which Asahi Tec and ATES falls under the split company and the succeeding company, respectively.

(3) Capital Reduction due to Corporate Split

There is no capital reduction due to the Corporate Split.

(4) Treatment of Stock Acquisition Rights and Convertible Bonds of Split Company

There is no change in the position of persons entitled to stock acquisition rights. Asahi Tec does not have any outstanding convertible bonds.

(5) Rights and Obligations to be Succeeded

i) Assets and liabilities to succeed

ATES shall succeed to assets, liabilities and rights and obligations incidental to these (provided, however, this shall not include lands, buildings or others prescribed in the agreement for corporate split) with respect to the Business as of the Effective Date of the Corporate Split. Asahi Tec shall assume concurrently the debts with respect to the Business.

ii) Labor agreements to succeed

No labor agreements entered into by and between Asahi Tec and employees who mainly engage in the Business shall be succeeded to ATES, and the relevant employees shall be seconded from Asahi Tec to ATES.

iii) Position under agreements to succeed

ATES shall succeed to agreements from Asahi Tec with respect to the Business such as agreements with respect to sales and purchase, quality assurance, outsourcing and service agreement leasing or others; provided, however, this shall not include agreements entered into jointly with other divisions of Asahi Tec and agreements with respect to assets and liabilities that are specifically excluded from those to be succeeded.

(6) Feasibility to Fulfill Obligation

Considering the amount of assets and liabilities of Asahi Tec and ATES, Asahi Tec concludes that there are no doubts in fulfillment of obligation to be borne by Asahi Tec and ATES after the Effective Date of the Corporate Split.

3. Details of Companies subject to Corporate Split

1) Corporate Name	Asahi Tec Corporation (Split Company, Asahi Tec)	Asahi Tec Environmental Solutions Corporation (Succeeding Company, ATES)
2) Business Area	Production and sales of cast and wrought products and processed goods made of ferrous and nonferrous mixed metal, and of machinery and appliances for transportation, industrial machines, electric and general use	Production, sales, designing, construction, and supervision of water & sewage equipment and waste water treatment devices. Production and sales of materials, construction, sales and leasing of construction equipment for pipe rehabilitation.
3) Foundation	August 8, 1938	October 31, 2007
4) Location of Head Office	547-1 Horinouchi, Kikugawa-city, Shizuoka, Japan	547-1 Horinouchi, Kikugawa-city, Shizuoka, Japan
5) Title / Name of Representative	Hideo Ishii, President & Representative Executive Officer and co-CEO	Katsunori Otsuka, President & Representative Director
6) Capital	JPY 34,384 million	JPY 100 million
7) Total Number of Issued Shares	Ordinary Shares 259,901,537 shares Class A Preferred Shares 28,572,000 shares Class B Preferred Shares 10,526,316 shares Class C Preferred Shares 179,179 shares	Ordinary Shares 2,000 shares
8) Net Asset	JPY 76,082 million (consolidated basis)	JPY 100 million (unconsolidated basis)
9) Gross Asset	JPY 304,691 million (consolidated basis)	JPY 100 million (unconsolidated basis)
10) Fiscal Term	March 31	March 31
11) Large Shareholders and Holding Ratio	RHJ International SA/NV (36.91%) Mitsui & Co., Ltd (19.01%) Metaldayne Investment Fund I LLC (11.37%)	Asahi Tec Corporation (100%)

(Note) The summary above is as of March 31, 2007 for Asahi Tec (Split Company), and as of October 31, 2007 for ATES (Succeeding Company), respectively.

4. Details of Business subject to Corporate Split

(1) Details of Business of Division subject to Corporate Split

Production and sales of equipments for water and sewerage, gas and for use of improving environment and designing, construction and maintenance thereof.

(2) Operating Results of Division subject to Corporate Split (for the fiscal year ending March 31, 2007)

(JPY million)

	Environmental System & Equipment Business (a)	Consolidated result (b)	Ratio (a/b)
Sales	6,054	145,702	4.2%
Gross Profit on Sales	988	15,814	6.2%
Operating Profit	196	3,276	5.6%
Ordinary Profit	195	△162	

(3) Item and Amount of Assets and Liabilities Subject to Corporate Split (as of March 31, 2007)

(JPY million)

Assets		Liabilities	
Item	Book Price	Item	Book Price
Current Asset	4,899	Current Liability	2,727
Fixed Asset	77	Fixed Liability	27
Total	4,976	Total	2,754

5. Situation of Asahi Tec after Corporate Split

(1) No amendment due to corporate split is made for its corporate name, business area, location of head office, capital and fiscal year.

(2) Perspective of Effect to Performance due to Corporate Split

The succeeding company is the wholly owned subsidiary of Asahi Tec, and there is no effect given by the Corporate Split to the consolidated performance of Asahi Tec. The unconsolidated performance of Asahi Tec is expected to decline for approximately 10 % of its sales.