

(Translation)

June 13, 2008

Name of Company: Asahi Tec Corporation
Representative: Hideo Ishii
President & Representative
Executive Officer
Code No: 5606
Tokyo Stock Exchange 1st Section
Contact: Junichi Tahara
Controller
(Phone: 0537-36-3103)

Announcement of Issuance of New Shares by Third Party Allotment

Asahi Tec Corporation ("Asahi Tec" or the "Company") hereby announces that the Company's board of directors, at its meeting held on June 13, 2008, passed a resolution to issue new shares by third party allotment as follows:

1. Purpose of Issuance of New Shares by Third Party Allotment

The Company will appropriate the proceeds to equity investment in Metaldyne Corporation, our wholly owned U.S. subsidiary ("Metaldyne"), as needed, in order to strengthen financial base of Metaldyne and support restructuring efforts as announced in its "Plan to Win", allow pay down of financial debt, help ensure compliance under the debt agreements in which Metaldyne is a borrower. As we expect to receive consent and support from the largest shareholder for the said capital raising and in light of the size and expeditious manner, we have elected the method of third party allotment to the largest shareholder.

2. Amount of Capital to be Raised and Use of Proceeds

(1) Amount of Capital to be Raised (approximate amount after deduction of expenses)

Approximately JPY 3,200,000,000

(2) Detailed Use of Proceeds

All proceeds will be appropriated to the equity investment in Metaldyne in order to increase in capital.

(3) Expected Timing of Use of Proceeds

July 2008

(4) Rationale of Use of Proceeds

This third party allotment shall be conducted solely for the purpose of making an equity investment in Metaldyne in order to strengthen its financial base. The amount of capital raised is necessary and sufficient in order to strengthen financial base of Metaldyne and support restructuring efforts as announced in its “Plan to Win”, allow pay down of financial debt, help ensure compliance under the debt agreements in which Metaldyne is a borrower. Thus, this third party allotment is reasonable.

3. Financial Performance and Equity Finance for the Past Three Years**(1) Financial Performance for the Past Three Years (Consolidated)**

(Million Yen)

Fiscal Year Ended	99th FY	100th FY	101st FY
	March 31, 2006	March 31, 2007	March 31, 2008
Sales Volume	57,994	145,702	315,885
Ordinary Income (Loss)	2,013	3,276	3,340
Current Earnings (Loss)	1,447	(162)	(8,602)
Net Income (Loss)	(282)	(665)	(34,818)
Net Income (Loss) per Share (in yen)	(3.74)	(6.40)	(137.91)
Dividend per Share (in yen)	-	-	-
Net Assets per Share (in yen)	161.69	190.39	81.94

(2) Outstanding Shares and Potential Shares (as of March 31, 2008)

Type	Number of Shares	Ratio to Outstanding Shares
Outstanding Shares	299,185,032 shares (Shares with voting right: 298,153,000 shares)	100%
Potential Shares upon Current Conversion Price or Exercise Price	100,929,332 shares	33.73%

(3) Recent Movement of the Share Price of Asahi Tec**(i) Share Price for the Past Three Years**

(yen)

FY ended	March 31, 2006	March 31, 2007	March 31, 2008
Opening Price	228	320	207
Highest Price	387	473	238

Lowest Price	196	180	74
Closing Price	318	208	88

(ii) Share Price for the Past Six Months

(yen)

	January	February	March	April	May	June
Opening Price	106	104	98	89	85	84
Highest Price	109	107	99	94	91	90
Lowest Price	74	86	84	83	83	83
Closing Price	103	101	88	84	83	87

(iii) Share Price on the day prior to the Resolution Date

(yen)

	June 12, 2008
Opening Price	86
Highest Price	87
Lowest Price	85
Closing Price	87

(4) The Equity Finance Being Proposed

New Shares Issued by Third Party Allotment

Date of Issuance	July 15, 2008
Amount of Funds to be Raised	Approximately JPY 3,170,000,000 (approximate amount after deduction of expenses) (Total Issue Price: JPY 3,200,000,000)
Outstanding Shares prior to Offering	Common Shares 259,907,537 shares Class A Preferred Shares 28,572,000 shares Class B Preferred Shares 10,526,316 shares Class C Preferred Shares 179,179 shares
Shares to be Issued This Time	Common Shares The number of shares agreed with and applied by the allottee within approximately 40,000,000 shares
Outstanding Shares after the Proposed Offering	Common Shares Up to 299,907,537 shares Class A Preferred Shares 28,572,000 shares Class B Preferred Shares 10,526,316 shares Class C Preferred Shares 179,179 shares
Allottee	RHJ International SA/NV

(5) Equity Finance for the Past Three Years

Public Offering

Date of Issuance	March 5, 2007
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Amount of Funds Raised	JPY 8,523,900,000 (approximate amount after deduction of expenses) (Total Issue Price JPY 8,877,000,000)
Outstanding Shares prior to Offering	Common Shares 226,901,537 shares Class A Preferred Shares 28,572,000 shares Class B Preferred Shares 10,526,316 shares Class C Preferred Shares 179,179 shares
Shares Issued in the Offering	Common Shares 33,000,000 shares
Initial Use of Proceeds	To make capital contribution or loan to Metaldyne Corporation, a subsidiary of the Company, in order for it to repay its borrowings etc.
Expected Timing of Disbursement	March 13, 2007
Current Status of Use	All Used

Third Party Allotment

Date of Issuance	March 28, 2006
Amount of Funds Raised	JPY 2,970,000,060 (approximate amount after deduction of expenses) (Total Issue Price JPY 3,000,000,060)
Outstanding Shares prior to Offering	Common Shares 60,273,313 shares Class A Preferred Shares 28,572,000 shares
Shares Issued in the Offering	Class B Preferred Shares 10,526,316 shares
Allottee	RHJ International SA/NV
Initial Use of Proceeds	Repay debt that was borrowed for the purpose of business acquisition
Expected Timing of Disbursement	March 28, 2006
Current Status of Use	All Used

Third Party Allotment

Date of Issuance	January 11, 2007
Amount of Funds Raised	JPY 45,791,860,046 (approximate amount after deduction of expenses) (Total Issue Price JPY 45,801,860,046)
Outstanding Shares prior to Offering	Common Shares 60,300,081 shares Class A Preferred Shares 28,572,000 shares Class B Preferred Shares 10,526,316 shares

Shares Issued in the Offering	Common Shares 166,581,405 shares Class C Preferred Shares 179,179 shares
Allottee	Common Shares: RHJ International SA/NV, Mitsui & Co., Ltd., Metaldyne Investment Fund I, LLC and others, 29 persons in total Class C Pref Shares: Chrysler, LLC, Masco Corporation
Initial Use of Proceeds	To use for acquisition of Metaldyne Corporation.
Expected Timing of Disbursement	January 11, 2007
Current Status of Use	All Used

4. Major Shareholders and Shareholding Percentage

Prior to Offering (as of March 31, 2008)		After Offering	
RHJ International SA/NV	36.87%	RHJ International SA/NV	44.33%
Mitsui & Co., Ltd.	19.08%	Mitsui & Co., Ltd.	16.82%
Metaldyne Investment Fund I, LLC	11.41%	Metaldyne Investment Fund I, LLC	10.06%
Credit Suisse Securities (USA) LLC, Special for Excel Bene	3.06%	Credit Suisse Securities (USA) LLC, Special for Excel Bene	2.69%
CHUO MITSUI Growth Capital Investment Limited Partnership II	2.44%	CHUO MITSUI Growth Capital Investment Limited Partnership II	2.15%
Japan Casting III LP 104020	1.91%	Japan Casting III LP 104020	1.68%
Masco Corporation	0.72%	Masco Corporation	0.63%
HIP Side-by-Side Partners, L.P.	0.69%	HIP Side-by-Side Partners, L.P.	0.61%
Mitsubishi Fuso Truck and Bus Corporation	0.56%	Mitsubishi Fuso Truck and Bus Corporation	0.49%
Mellon Bank ABN Amro Global Custody NV	0.51%	Mellon Bank ABN Amro Global Custody NV	0.45%

Note: The percentage after the offering is based upon an assumption that the allottee purchases all of the 40,000,000 shares.

5. Expected Impact on Financial Performance

This third party allotment will have little impact on the financial performance the Company for this fiscal year.

6. Reasonableness of Terms of Issuance, etc.

(1) Basis for Calculation of Issue Price

Issue price (JPY 80 per share) is determined as a result of the following calculation: The average closing price of the common stock of the Company on the Tokyo Stock Exchange during a period commencing the 90th day prior to the date of the board resolution and ending the day immediately prior to the date of the board resolution, multiplied by 0.91 (rounding up any portion less than one yen).

(2) Reason for Having Decided that Issuance Volume and Dilution Effect are Reasonable

As stated above, the issue price is determined at an appropriate level in light of the market price of our common shares, the degree of dilution would be within reasonable range. Although the third party allotment will dilute the shares for 13.4%, the Company plans to use the amount of capital raised to make an equity investment in Metaldyne, our wholly owned U.S. subsidiary, in order to strengthen its financial basis. By strengthening Metaldyne's financial basis, its business activities will stabilize which will add value to the whole Asahi Tec group, continuing its global strategy of growth. Therefore, we believe that it is reasonable also for the existing shareholders, to issue new shares by third party allotment.

7. Reason for Selecting Allottee

(1) Overview of Allottee

(i)	Commercial Name	RHJ International SA/NV
(ii)	Business	Holding Company
(iii)	Formation Date	June 28, 2004
(iv)	Head Office	326 Avenue Louise, 1050 Brussels, Belgium
(v)	Title and Name of Representative	Timothy C. Collins, Co-CEO
(vi)	Capital Amount	664,424,086 EURO (JPY 88,491million) (as of March 31, 2007)
(vii)	Outstanding Shares	85,545,547 shares
(viii)	Net Asset	JPY 261,102 million (consolidated)

(ix)	Total Asset	JPY 758,310 million (consolidated)
(x)	Fiscal Year	From April 1 to March 31 of each year
(xi)	Number of Employees	24,615 persons (consolidated)
(xii)	Large Shareholders and Holding Ratio (as of March 31, 2007)	<ol style="list-style-type: none"> 1. Timothy C. Collins : 15.37% 2. BlackRock Group : 5.91% 3. Davis Selected Advisors L.P.: 5.048% 4. Third Avenue Management LLC : 5.001% 5. Lord Rothschild (Jacob) : 4.74% 6. Bank of America Corporation: 4.00% 7. Ziff Asset Management LP: 3.21% 8. Mitsubishi Corporation : 2.93%
(xiii)	Relationship between Allottee and the Company	<p>Prior to Allotment, holding 36.87% of the voting rights of the Company.</p> <p>Capital Relationship (as of March 31, 2008)</p> <p>Class A Preferred Shares: 22,858,000 shares Class B Preferred Shares: 10,526,316 shares Common Shares: 76,546,294 shares</p> <p>(Details after the Allotment)</p> <p>Class A Preferred Shares: 22,858,000 shares Class B Preferred Shares: 10,526,316 shares Common Shares: Up to 116,546,294 shares</p>
		<p>Trade Relationship</p> <p>No relationship</p>
		<p>Human Relationship</p> <p>No relationship</p>
		<p>Related Party</p> <p>The allottee owns 36.87% of the voting rights of the Company, and would be "other related company".</p>

(2) Reason for Selecting Allottee

Because we expect that the largest shareholder of the Company will agree to and express its support on the capital raising by the Company for the purpose of strengthening Metaldyne's financial base, the Company will allot the shares to such shareholder.

(3) Allottee's Policy for Holding Shares

We are advised by the allottee that the allottee intends to hold the shares of the Company for mid or long - term. In addition, we are due to obtain assurance from the allottee that they will give us a written report without delay when they shall transfer, within two (2) years, the shares newly issued and allotted by this third party allotment.

- End -

(Attachment) Terms of Share Issuance

- (1) Type and Number of Shares Issued: Common stock; up to 40,000,000 shares
- (2) Issue Price: JPY 80 per share
- (3) Total Amount of Issue Price: Up to JPY 3,200,000,000-
- (4) Amount of Issue Price to be Credited into Capital:
JPY 40 per share (Up to JPY 1,600,000,000 in total)
- (5) Method of Allotment: Third Party Allotment
- (6) Subscription Application Period: July 14, 2008
- (7) Payment Date: July 15, 2008
- (8) Delivery Date of Share Certificates: TBD
- (9) Party and Number of Shares to be Allotted:
RHJ International SA/NV; up to 40,000,000 shares
- (10) Other items stated in the securities registration statement with respect to the relevant shares:
N/A

- End -