

(TRANSLATION)

February 28, 2006

Name of Company	Asahi Tec Corporation
Representative	Akira Nakamura, President and CEO Code No.: 5606 Tokyo Stock Exchange 1st Section
Contact	Takao Yoshida Managing Executive Officer (Tel: 0537-36-3112)

## **Asahi Tec Corporation acquires Mitsubishi Fuso Techno-Metal Co., Ltd. to gain foothold in automobile engine parts such as cylinder block**

Asahi Tec Corporation (listed on Tokyo Stock Exchange 1st Section, Head office: Kikugawa-shi, Shizuoka-ken, President and CEO: Akira Nakamura) ("Asahi Tec") today executed the definitive agreement to acquire Mitsubishi Fuso Techno-Metal Co., Ltd. (Nihonmatsu-shi, Fukushima-ken, unlisted, the corporate name of which was changed to Techno-Metal Co., Ltd. today) ("MFTM"), a wholly-owned subsidiary of Mitsubishi Fuso Truck and Bus Corporation ("MFTBC"), and completed the acquisition on the same day.

### 1. Reason for the Acquisition

In the casting industry, factories closed down and production lines were consolidated due to drop in demands from the economic recession since 1990s. However, demand is on the rise reflecting the recent economic recovery and casting companies, including Asahi Tec and MFTM, are enjoying a thriving market where production cannot keep up with demand. Asahi Tec does foresee a decrease in demand in the truck industry from late 2006 to 2008 where demands will settle due to the new long-term exhaust gas regulation enforced in 2005 while construction equipment business will enjoy hungry demands and strong growth. Also, the introduction of next exhaust gas regulation which is predicted to be introduced in 2009 or 2010 is expected to encourage demand for new trucks. Demand over the middle to long term is expected to grow soundly.

In the above market environment, Asahi Tec acquired the shares of MFTM in hope of expanding its business and improving efficiency. Specifically, the acquisition of MFTM is anticipated to create the following synergies between Asahi Tec and MFTM.

- \* New Entry to Automobile Engine Parts Business: MFTM's production technology and Asahi Tec's sales power will complement each other to create a vast range of products which would enhance aggregated sales for the two companies in the field of automobile engine parts (core parts) such as cylinder blocks, cylinder head, and crank shaft which MFTM produces.

- \* Enhancement of Ability to Propose Manufacturing Methods Which Match Customers' Needs: In addition to enhancing the supply capacity for Asahi Tec's iron castings and aluminum die-cast products, the addition of iron forgings would allow a wider variety of manufacturing methods which would enable to offer the best manufacturing method customized to the needs of each customer which would lead to improved sales.
- \* Expansion of the Higher Value-added Products Business: Through the use of mutual resources, we aim to expand the processing and building business and to offer higher value-added products to customers, thereby enhancing sales.
- \* Improvement of Development and Production Efficiency: In addition to improvement of development efficiency due to complimenting technologies, we will improve production efficiency by mutually allotting products that are suited to the production line.
- \* Improvement of Profitability Due to Cost Reduction: Integration of production and reexamination of indirect costs would improve Asahi Tec and MFTM's profitability.

Akira Nakamaura, Asahi Tec's Director, President and CEO commented as follows: "We welcome that MFTM becomes a member of the Asahi Tec Group. MFTM becomes an important subsidiary to improve Asahi Tec's ability in the field of iron casting. Both companies will collaborate and enhance the synergy effect in their businesses with respect to technology, production, sales and all other aspects. "

Shoichiro Irimajiri, Asahi Tec's Director and Chairman of the Board commented as follows: "We will take advantage of the participation of MFTM to the Asahi Tec Group to advance the strategic M&As and business alliances and to accelerate the growth."

Haruo Suzuki, MFTM's Representative Director and President, commented as follows: "Our participation to the Asahi Tec Group is a great merit to all of us. We believe that this is a great opportunity to accomplish the real globalization which we have been aiming at. We are happy to become a member of the Asahi Tec group."

Through today's transaction, Asahi Tec acquired 66% (128,000 shares) of MFTM at a total price of JPY 3 billion. MFTBC agreed to continue to hold the remaining 34% (66,000 shares) of MFTM's shares for the time being and to transfer these to Asahi Tec within the next three years after closing. MFTM also changed its corporate name to Techno-Metal Co., Ltd. effective today. Haruo Suzuki, Representative Director and President of MFTM, will remain in place as President. Other directors will be dispatched from Asahi Tec and MFTBC. This acquisition will position Asahi Tec second in the industry for ductile cast iron products.

2. Outline of the Subsidiary Acquired (Mitsubishi Fuso Techno-Metal Corporation)  
(Corporate name changed to Techno-Metal Co., Ltd. today.)

(1)	Corporate name	Mitsubishi Fuso Techno-Metal Corporation (Corporate name changed to Techno-Metal Co., Ltd. today.)	
(2)	Representative	Mr. Haruo Suzuki	
(3)	Location:	100 Takada, Nihonmatsu-shi, Fukushima-ken	
(4)	Date of incorporation:	May 20, 1971	
(5)	Major business:	Manufacture and sale of various castings, forgings, and aluminum die-castings for automobile parts, construction equipment and industrial machines, and processing and sub-assembling machines	
(6)	Date of settlement of accounts:	March 31st	
(7)	Employees:	790	
(8)	Major business locations:	Nihonmatsu-shi, Fukushima-ken Kitamoto-shi, Saitama-ken	
(9)	Amount of capital:	JPY1,940 million	
(10)	Total number of issued and outstanding shares:	194,000 shares	
(11)	Major shareholders and their holding ratios:	(Before the acquisition) Mitsubishi Fuso Truck and Bus Corporation 100% (194,000 shares) (After the acquisition) Asahi Tec Co., Ltd. 66% (128,000 shares) Mitsubishi Fuso Truck and Bus Corporation 34% (66,000 shares)	
(12)	Trend of result business operation in recent business years (million yen)	Business year ended in	
		March, 2004	March, 2005
	Sales	27,704	30,325
	Gross profit on sales	3,379	2,498
	Operating profit	1,854	872
	Ordinary profit	1,596	719
	Current profit	777	179
	Total asset	16,595	17,041
	Shareholder's equity	3,266	3,367
	Dividend per shares	JPY400.61	JPY92.01

### 3. Outline of the Transferor of the Shares

- |     |                             |   |
|-----|-----------------------------|---|
| (1) | Corporate name              | Mitsubishi Fuso Truck and Bus Corporation   |
| (2) | Representative              | Keisuke Egashira, Harald Boelstler  |
| (3) | Location:                   | 2-16-4, Konan, Minato-ku, Tokyo   |
| (4) | Major business:             | Develop, design, manufacture, sale, import and export and other transaction of trucks, buses and industrial engines, etc. |
| (5) | Relationship with Asahi Tec | Customer  |

### 4. The Number of the Acquired Shares and Status of the Acquired Shares held by Asahi Tec before and after the Acquisition

- (1) The shares held before the acquisition - 0 shares (ownership percentage: 0%) (0 voting rights)
- (2) The number of the acquired shares - 128,000 shares (acquisition price: JPY 3 billion) (128,000 voting rights)
- (3) The shares held after the acquisition -128,000 shares (ownership percentage: 66%) (128,000 voting rights)

### 5. The Schedule of the Acquisition

The resolution of the board of directors, the execution of the final agreement and the transfer of the shares are completed today (February 28, 2006)

### 6. Future Prospects

As the deemed acquisition date is set on the end of this consolidated financial year, this acquisition will not influence this year's results of business operation (the consolidated profit loss statement). The details of the prospects about next year's results of business operation and consolidated financial statements are in preparation and we will announce them once they are fixed.

- \* This press release concerning Asahi Tec Corporation and Mitsubishi Fuso Techno-Metal Corporation contains forward-looking statements on possible future events and future performance other than history. These forward-looking statements are predictions and they may diverge considerably from actual circumstances or performance. Forward-looking statements include circumstances of consolidation of acquired companies, competition and industry, target cost reduction program, the market reaction to our products, changes in technology, industry standards established in the future, and other risks and uncertainties surrounding our business environment.