

(Translation)

February 10, 2011

Name of company: Asahi Tec Corporation
Representative: Shoichiro Irimajiri (President, Representative Executive Officer)
Code Number: 5606 (Tokyo Stock Exchange 1st Section)
Contact: Akira Kamiya (Executive Officer & General Manager, Corporate Planning Department)
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Announcement of Absorption type Corporate Spli (Kani Kyushu Bunkatsu)

The Board of Directors of Asahi Tec Corporation (“ ATC”) has resolved as of this day to split up Electric Power Equipment Business (“ EPE ”) for Asahi Tec TDM Co. Ltd (“ TDM ”), ATC wholly owned subsidiary to succeed EPE business targeting on April 1st of 2011. Please note that the relevant formation is partially abbreviated due to EPE business is succeeded our 100% owned subsidiary (Kanni Kyushu Bunkatsu).

1. Background and reasons

Electric Power Equipment (“EPE”) Division operates differently from ATC’s core businesses which are represented by general casting and forging parts in Automotive, Truck and Construction machinery fields. In order for EPE to flexibly seek their own growth scenario, EPE needs to have their own grip on their business operation as well as management structure independently from ATC’s. While ATC puts great emphasis on emerging countries’ needs on automobile and its related business fields, Corporate split of EPE division would enable both ATC and EPE to accelerate the study on the best scenario for both sides, which becomes the first phase to include future potential M&A options for EPE if best decided. Thus, ATC has decided to split up Electric Power Equipment Business (“ EPE ”) for TDM (ATC wholly owned subsidiary, established on December 24, 2010) to succeed EPE business.

2. Corporate Split Summary

1) Schedule

Approval at Board of Directors’ Meeting: February 10, 2011

Signing Agreement between ATC and TDM February 10, 2011

Effective date of Corporate Split April 1, 2011

Approval of shareholders’ meeting is omitted pursuant to Article 784-3 in Companies Act

2) Split Scheme

Absorption type Corporate Split (“Split”) with ATC as Split Company, and TDM as Succeeding Company (Kanni Kyushu Bunkatsu)

3) Allotment

One common stock will be allotted to ATC in association of this Split.

4) Capital reduced with this Split: Noe

5) Stock Option Plan of ATC: No change.

6) Rights and Obligations succeeded to Succeeding company

Status, rights and obligations under agreements belonging to the business to be succeeded except items stated in agreement if any.

7) Execution of liabilities

Any liabilities belonging to ATC and TDM after effective date of this Split will be executed.

3. Overview of Split company and Succeeding company

| | Split company (March 31, 2010) | Succeeding company (December 31, 2010) |
|---|---|---|
| (1) Name | Asahi Tec Corporation | Asahi Tec TDM Co. Ltd. |
| (2) Address | Horinouchi 547-1, Kikugawa city, Shizuoka | Honohara 2-10, Toyokawa city, Aichi |
| (3) Representative | Representative executive officer and President: Shoichiro Irimajiri | Representative director and President Kyo Kato |
| (4) Business | Manufacturing and sale of Iron and Non-iron casting products, machined products and assembly. | Engineering, manufacturing and sale of Hardware for transmission lines and distribution lines, etc. |
| (5) Capital | 38,282 million yen | 100 million yen |
| (6) Establishment | August 8, 1938 | December 24, 2010 |
| (7) # of share issued | 476,626,560 | 2,000 |
| (8) End of Fiscal year | March 31 | March 31 |
| (9) Major shareholder and its holding ratio | RHJ International SA/NV 60.07% Mitsui & Co. 11.93% | Asahi Tec Corporation 100% |
| (10) Financial status in the most recent fiscal year (unit: million yen except share info.) | | |
| | Split company (consolidated) | Succeeding company |
| Net asset | 17,470 | (Note) |
| Total asset | 56,368 | |
| Net asset per share | 2.85 | |
| Sales | 58,241 | |
| Operating profit | 121 | |
| Ordinary profit | -392 | |
| Net profit | -421 | |

| | |
|----------------------|-------|
| Net profit per share | -1.63 |
|----------------------|-------|

(Note) Succeeding company has just established on December 24, 2010 and has no financial information to disclose.

4. Overview of Electric Power Equipment Business Division (“the division”)to be split

1) Business of the division

Engineering, manufacturing and sale of Hardware for transmission lines and distribution lines, etc.

2) Financial performance of the division

Sales of 5,322 million yen (Fiscal Year ending March 31, 2010)

3) Assets and Liabilities to be split (million yen)

| Asset (Standalone) | | Liabilities(Standalone) | |
|----------------------|---------------|-------------------------|---------------|
| Account | Amount booked | Account | Amount booked |
| Current asset | 0 | Current liabilities | - |
| Fixed asset | 222 | Non-current liabilities | 127 |
| Total | 223 | Total | 127 |

Note: above figure are forecasted at present time

5. Status after Corporate Split

1) Split Company: No change

2) Succeeding company

| | Succeeding company (April 1, 2011) |
|--------------------------|---|
| (1) Name | Asahi Tec TDM Co. Ltd |
| (2) Address | Honohara 2-10, Toyokawa city, Aichi |
| (3) Representative | Representative director and President Kyo Kato |
| (4) Business | Engineering, manufacturing and sale of Hardware for transmission lines and distribution lines, etc. |
| (5) Capital | 100 million yen |
| (6) End of fiscal year | March 31 |
| (7) # of shares issues | 2,001 |

6. Any impacts foreseen in the Future

No impacts are foreseen since the split will be made with ATC 100% owned company..

(Reference)

Consolidated Business Results Forecast for FY2011 (announced on November 12, 2010)

(Million yen)

| | Sales | Operating Profit | Ordinary profit | Net profit |
|---|--------|------------------|-----------------|------------|
| Forecast (FY2010 ending March 31, 2010) | 74,000 | 2,350 | 1,650 | 50 |
| Prior Year | 58,241 | 121 | -392 | -421 |

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