

(Translation)  
May 28, 2009

Name of company: Asahi Tec Corporation (the “Company”)  
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## Announcement of the Recognition of Extraordinary income and loss and Revised Business Results Forecast

In light of recent trends in the Company’s financial results, the business results forecast for the Company’s consolidated and stand-alone financial results announced on February 13, 2009 has been revised as below.

1. Revised forecast of consolidated financial results for the fiscal year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(In ¥ million)

	Net sales	Operating income (loss)	Ordinary loss	Net loss
Previous forecast (A) (announced on February 13, 2009)	218,500	(6,700)	(15,900)	(280)
Revised forecast (B)	218,800	(3,100)	(12,200)	(23,300)
Difference (B - A)	300	3,600	3,700	(23,020)
Difference ratio	0.1%	—	—	—
Previous fiscal year actual results	315,885	3,340	(8,602)	(34,818)

2. Revised forecast of stand-alone financial results for the fiscal year ended March 31, 2009 (April 1, 2008 – March 31, 2009)

(In ¥ million)

	Net sales	Operating income	Ordinary income (loss)	Net loss
Previous forecast (A) (announced on February 13, 2009)	40,100	550	(30)	(380)
Revised forecast (B)	40,200	1,760	1,130	(31,780)
Difference (B - A)	100	1,210	1,160	(31,400)
Difference ratio	0.2%	320.0%	—	—
Previous fiscal year actual results	56,609	2,032	1,589	(31,393)

3. Reason of revision

On May 27, 2009 (U.S. time), Metaldyne Corporation (“Metaldyne”), a wholly-owned subsidiary of the Company, and its subsidiaries filed a voluntary petition with the U.S. Bankruptcy Court for the Southern District of New York for reorganization proceedings under Chapter 11 of the U.S. Bankruptcy Code (“Chapter 11”). Upon filing of this petition, Metaldyne is going to be excluded from the Company’s scope of consolidation and the equity method, and all the relevant losses will be recognized for the fiscal year ended March 31, 2009. For example, investment in Metaldyne will be written-off to zero on the stand-alone financial statements (non-cash loss of ¥32 billion to be recorded in the fourth quarter ended March 31, 2009) and an additional loss will be recorded on the consolidated financial statements (non-cash impairment loss of ¥31.5 billion to be recorded in the fourth quarter ended March 31, 2009) by treating the value of net assets of Metaldyne as ¥1 yen.

At the Company’s board of directors meeting, the board dissolved that the Company will not inject any new funds or capital into Metaldyne and the Company will not become a sponsor in the restructuring process by providing financial support.

As set forth above, going forward the Company, its consolidated net income and its stand-alone operating results will no longer be affected by Metaldyne's operating results and change in its net assets.

Finally, as a result of things mentioned above, neither the consolidated net assets nor the stand-alone net assets of the Company will be negative as of March 31, 2009.

The business results forecast was revised for the following reasons.

The consolidated business forecast for operating income and ordinary income is expected to exceed the previously announced forecast due to the reclassification of abnormal costs, caused by the continuing low level of production, from operating expense to volume variances under extraordinary loss, and due to the cost reduction efforts in selling, general and administrative expenses. Net income is expected to fall short of the previously announced forecast due to extraordinary gains and losses as shown below.

	(In ¥ billion)	
	Year ended March 31, 2009 (announced on February 13, 2009)	Year ended March 31, 2009 (revised forecast)
Extraordinary income		
Gain on forgiveness of debts	3.1	3.1
Reversal of provision for retirement benefits	1.5	1.5
Gain on redemption of bonds	31.1	30.5
Other	0.3	0.9
Total extraordinary income	36.1	36.0
Extraordinary loss		
Impairment loss (Note 1)	9.2	40.7
Loss on disposal of noncurrent and idled leased assets	1.5	1.6
Restructuring related costs	7.2	0.9
Volume variances (Note 2)	-	2.6
Other	0.5	0.5
Total extraordinary loss	18.6	46.3

Note:

1. An impairment loss of ¥40.7 billion (representing a ¥31.5 billion increase in impairment loss from the previously announced forecast) is anticipated to be recorded for the fiscal year ended March 31, 2009, by treating the value of net assets of Metaldyne as ¥1 yen.
2. Abnormal costs caused by the continuing low level of production are reclassified from operating expense to volume variances under extraordinary loss.

The consolidated business forecast announced on February 13, 2009 anticipated an extraordinary loss of ¥18.6 billion. However, the revised anticipated extraordinary loss amounts to ¥46.3 billion, due to the additional impairment loss to be recorded as a result of the revaluation of Metaldyne's goodwill and long-term assets that was triggered by the deterioration of Metaldyne's profitability.

The stand-alone business forecast for operating income and ordinary income is expected to exceed the previously announced forecast due to inventory adjustment, readjustment of capital expenditure, improvement of productivity, continuing cost reduction efforts in selling, general and administrative expenses, and reclassification of abnormal costs of ¥0.75 billion, caused by the continuing low level of production, from operating expense to volume variances under extraordinary loss.

However, the stand-alone business forecast for net income is expected to fall short of the previously announced forecast due to an extraordinary loss of ¥32 billion, to be recorded for a valuation loss on investment in subsidiaries by reflecting the results of the revaluation of Metaldyne's assets caused by the deterioration of Metaldyne's profitability.

Based on the above, we will revise the consolidated business forecast and stand-alone forecast for the year ended March 31, 2009.

For more details about the filing of Chapter 11 by Metaldyne, please refer to “Chapter 11 Petition of U.S. Subsidiaries, Metaldyne, Change of Subsidiaries, and Recognition of Extraordinary losses” announced on May 28, 2009.

All forecasts were made based on the data available to the Company as of the date this notice is filed. Therefore, the actual outcome may differ from the forecast due to various factors.

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