

(Translation)

September 26, 2008

Name of Company: Asahi Tec Corporation
Representative: Hideo Ishii
President & Representative
Executive Officer
Code No: 5606
Tokyo Stock Exchange 1st Section
Contact: Yoshio Koyano
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 September 26, 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 allocate the entire proceeds (i) to an equity investment in Metaldyne Corporation, our wholly owned U.S. subsidiary ("Metaldyne"), in order to strengthen the financial base of Metaldyne in the course of its business restructuring, maintain quarterly compliance with agreements with banks under which Metaldyne is a borrower, and (ii) to repay the Company's borrowings (if any) which may be incurred for the purpose of the equity investment in Metaldyne.

Although we issued new common shares on July 15, 2008 for the same purpose, we believe this third party allotment is necessary to strengthen the financial base of Metaldyne, under the circumstances where the US market and the automotive industry are continuously weak and where the economy is in a slowdown, although Metaldyne continues to implement the plans to improve its profitability and reduce its costs.

While we decided that the best method was to issue the shares to our largest shareholder by way of a third party allotment in light of the size and expeditious manner of the capital raising, the allottee is still reviewing the possibility of subscription and its amount and is negotiating the same with the Company. Accordingly, the final decision is subject to the approval by the decision making body of the allottee.

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 3billion

(2) Detailed Use of Proceeds

All proceeds will be allocated to an equity investment in Metaldyne in order to increase its capital. However, the proceeds may be allocated to repay the Company's borrowings (Approximately up to JPY 3 billion) which may be incurred for the equity investment in Metaldyne, if the entire or partial amount for the equity investment in Metaldyne which is currently scheduled on October 15 shall be required earlier.

(3) Expected Timing of Use of Proceeds

October 2008

(4) Rationale for Use of Proceeds

The amount of this third party allotment is necessary and sufficient for the purpose of strengthening Metaldyne's financial base in the course of its business restructuring, complying with agreements with banks under which Metaldyne is a borrower, as well as repaying the relevant part of the Company's borrowings. 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 July 15, 2008)

Type	Number of Common Shares	Ratio to Outstanding Shares
Outstanding Common Shares	321,685,032 shares (among which shares with voting	100%

	right: 320,653,000 shares)	
Potential Shares upon Current Conversion Price or Exercise Price	101,341,950 shares	26.71%

(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)

	April	May	June	July	August	September
Opening Price	89	85	84	76	71	59
Highest Price	94	91	90	77	73	46
Lowest Price	83	83	83	65	61	43
Closing Price	84	83	87	73	61	46

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

(Yen)

	September 25, 2008
Opening Price	46
Highest Price	46
Lowest Price	45
Closing Price	46

(4) The Equity Finance Being Proposed

New Shares Issued by Third Party Allotment

Date of Issuance	October 15, 2008								
Amount of Funds to be Raised	Approximately JPY 2,980,000,000 (approximate amount after deduction of expenses) (Total Issue Price JPY 2,999,999,971)								
Outstanding Shares prior to Offering	<table> <tr> <td>Common Shares</td> <td>282,407,537 shares</td> </tr> <tr> <td>Class A Preferred Shares</td> <td>28,572,000 shares</td> </tr> <tr> <td>Class B Preferred Shares</td> <td>10,526,316 shares</td> </tr> <tr> <td>Class C Preferred Shares</td> <td>179,179 shares</td> </tr> </table>	Common Shares	282,407,537 shares	Class A Preferred Shares	28,572,000 shares	Class B Preferred Shares	10,526,316 shares	Class C Preferred Shares	179,179 shares
Common Shares	282,407,537 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 73,170,731 shares
Outstanding Shares after the Proposed Offering	Common Shares Up to 355,578,268 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

Third Party Allotment

Date of Issuance	July 15, 2008
Amount of Funds to be Raised	JPY 1,770,000,000 (approximate amount after deduction of expenses) (Total Issue Price JPY 1,800,000,000)
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 22,500,000shares
Allottee	RHJ International SA/NV
Initial Use of Proceeds	To make capital contribution to Metaldyne Corporation, our wholly owned U.S. subsidiary
Expected Timing of Disbursement	July 15, 2008
Current Status of Use	All Used

Public Offering

Date of Issuance	March 5, 2007
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 July 15, 2008)		After Offering	
RHJ International SA/NV	41.30%	RHJ International SA/NV	52.20%
Mitsui & Co., Ltd.	17.74%	Mitsui & Co., Ltd.	14.44%
Metaldyne Investment Fund I, LLC	10.61%	Metaldyne Investment Fund I, LLC	8.64%
Credit Suisse Securities (USA) LLC, Special for Excl Bene	2.84%	Credit Suisse Securities (USA) LLC, Special for Excl Bene	2.31%
CHUO MITSUI Growth Capital Investment Limited Partnership II	2.27%	CHUO MITSUI Growth Capital Investment Limited Partnership II	1.84%
Japan Casting III LP 104020	1.78%	Japan Casting III LP 104020	1.45%
Masco Corporation	0.67%	Masco Corporation	0.54%
HIP Side-by-Side Partners, L.P.	0.64%	HIP Side-by-Side Partners, L.P.	0.52%
Mitsubishi Fuso Truck and Bus Corporation	0.52%	Mitsubishi Fuso Truck and Bus Corporation	0.42%
Melon Bank ABN Amro Global Custody NV	0.47%	Melon Bank ABN Amro Global Custody NV	0.38%

Shareholding percentages as of July 15, 2008 are calculated based on the number of shares held by each shareholder as of March 31, 2008 and take into account the newly issued 22,500,000 shares pursuant to the third party allotment effective July 15, 2008.

Note: The percentages after the offering are based upon the assumption that the allottee will purchase all of the 73,170,731 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

The issue price (JPY 41 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 for five (5) trading days immediately prior to the date of the board resolution, multiplied by 0.91 (rounding up any portion less than one yen) (89.1 % of the closing price as of September 25).

(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, and the number of shares to be issued is determined based upon the amount of funds to be raised. Although the newly issued shares by this third party allotment will have the effect of diluting the current outstanding shares by 22.8%, the allottee does not intend to trade the shares on a short-term basis, and will make consideration to avoid unwanted confusion in the market. 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 the number of shares to be issued pursuant to the third party allotment and the degree of dilution due to such issuance are also reasonable for existing shareholders.

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	JPY 88,491million (as of March 31, 2008)
(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, 2008)	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	Capital Relationship (As of July 15, 2008 after the third party allotment dated that day)	Prior to Allotment, holding 41.30% of the voting rights of the Company. Class A Preferred Shares: 22,858,000 shares Class B Preferred Shares: 10,526,316 shares Common Shares: 99,046,294shares (Details after the Allotment) Class A Preferred Shares: 22,858,000 shares Class B Preferred Shares: 10,526,316 shares Common Shares: Up to 170,476,294 shares
		Trade Relationship	No relationship
		Human Relationship	No relationship
		Related Party	The allottee owns 41.30% of the voting rights of the Company, and is the "parent company" of the Company.

(2) Reason for Selecting Allottee

In light of the size and expeditious manner of the capital raising, we believe that it was the most practical approach to obtain the understanding and support from the largest shareholder and allot the shares to the same. However, as stated above, the allottee is still reviewing the possibility of subscription and its amount and is negotiating the same with the Company. Accordingly, the final decision is subject to the approval by the decision making body of the allottee.

(3) Allottee's Policy for Holding Shares

We are advised by the allottee that, if the allottee subscribes to the shares of the Company through the third party allotment, the allottee intends to hold the shares of the Company for

the mid-term or long-term. In addition, we are seeking assurance from the allottee that it will give us a written report without delay if it should transfer, within two (2) years, the newly issued and allotted shares pursuant to this third party allotment.

- End -

(Attachment) Terms of Share Issuance

- (1) Type and Number of Shares Issued: Common stock; up to 73,170,731 shares
- (2) Issue Price: JPY 41 per share
- (3) Total Amount of Issue Price: Up to JPY 2,999,999,971
- (4) Amount of Issue Price to be Credited into Capital:
JPY 21 per share (Up to JPY 1,536,585,351 in total)
- (5) Method of Allotment: Third Party Allotment
- (6) Subscription Application Period: October 14, 2008
- (7) Payment Date: October 15, 2008
- (8) Delivery Date of Share Certificates: October 16, 2008
- (9) Party and Number of Shares to be Allotted:
RHJ International SA/NV; up to 73,170,731 shares
- (10) Other items stated in the securities registration statement with respect to the relevant shares:
N/A

- End -