

(Translation)

October 19, 2010

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 Transfer of Shares in Our Consolidated Subsidiary

The Board of Directors of Asahi Tec Corporation (the "Company") has resolved as of this day to transfer all shares held by the Company in Asahi Tec Environmental Solutions Corporation ("ATES"), a consolidated subsidiary of the Company, either to the fund (NMC2007 Investment Limited Partnership; hereinafter, "NMC Fund") for which Nippon Mirai Capital Co., Ltd., an independent investment fund manager, serves as its advisor, or to the special purpose company (NMC Fund 15 Corporation) wholly owned by NMC Fund. Please note, however, that the relevant share transfer ("Share Transfer") is subject to approval of lenders pursuant to the Company's loan agreement entered into with banks.

Details

1. Reason of Share Transfer

After the Company and ATES have explored possibilities to establish plans for mutual growth, it was decided that it would be in the best interests of both parties to separate ATES, which engages in a different type of business compared to our Group which mainly engages in business related to formed and fabricated material parts, from our Group, in order to manage ATES in a way more suitable to its business area, and to ensure future funding. The Share Transfer aims to implement MBO in which current management of ATES will also become investors in the future, and the current management of ATES will continue to be in charge of the management.

On the other hand, our Group has decided to conduct the Share Transfer given its needs to concentrate its management resources to an utmost extent in order to deal with robust demands from developing countries especially in the field of automobile related businesses.

2. Method of Share Transfer

The Company is scheduled to transfer all of its shares in ATES on November 19, 2010.

3. Outline of Subsidiary to be Transferred (ATES)

(1) Name	Asahi Tec Environmental Solutions Corporation		
(2) Address	547-1, Horinouchi, Kikugawashi, Shizuoka		
(3) Name and title of representative	Isao Torikata, President and Representative Director		
(4) Content of business	manufacture, sales, design, construction and management of water supply and sewerage equipment and water treatment devices; sales of materials related to sewage pipe renewal works; and sales and lease of construction-related material parts, etc.		
(5) Amount of capital	JPY 100 million		
(6) Date of incorporation	October 31, 2007		
(7) Major shareholders and ownership ratio	Asahi Tec Corporation (the Company): 100.0%		
(8) Relationship with the listed company (the Company) and the relevant company (ATES)	Capital relationship	The Company is the wholly owner of the shares of ATES.	
	Personnel relationship	The representative director of ATES concurrently serves as the executive officer of the Company. In addition, 68 employees of the Company are seconded to ATES.	
	Trading relationship	The Company and ATES have entered into service agreement and other agreements.	
(9) Results of operation and financial condition of the relevant company for most recent 3 fiscal years	(in million yen)		
	* Fiscal year 2007 (for reference)	Fiscal year 2008	Fiscal year 2009
Net assets	67	3,252	3,507
Total assets	84	5,712	5,636
Net assets per share (in yen)	33,762	1,625,253	1,753,067
Sales	-	6,192	6,241
Operating profit	(32)	349	380
Net profit	(32)	216	255
Net profit per share (in yen)	(16,237)	108,185	127,813
Dividend per share (in yen)	-	-	-

* The amounts for fiscal year 2007 are those before commencement of business

4. Outline of Transferee

(1) Name	NMC2007 Investment Limited Partnership*
(2) Address	3-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo
(3) Representative	General Partner

	NMC2007 L.L.C Partner, Nippon Mirai Capital Co., Ltd. Akira Yasujima, Administrator
(4) Content of business	Investment business
(5) Relationship with Company	N/A

* NMC2007 Investment Limited Partnership is a fund for which Nippon Mirai Capital Co. Ltd., an independent investment fund manager, serves as its advisor.

or

(1) Name	NMC Fund 15 Corporation*	
(2) Address	3-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo	
(3) Title and name of representative	Koki Sakai, Representative Director	
(4) Content of business	<ul style="list-style-type: none"> (i) manufacture, sales, design, construction and management of water supply and sewerage equipment and water treatment devices; (ii) manufacture, sales, construction of materials related to sewage pipe renewal works and sales and lease of construction-related material parts; (iii) manufacture and sales of water supply and sewerage, gas and communications-related material parts; (iv) manufacture, sales, design, construction and management of pressure type sewerage pumps and man-hole pumps; and (v) any and all businesses incidental to businesses under each of the foregoing items. 	
(5) Amount of capital	JPY 250,000	
(6) Date of incorporation	August 5, 2010	
(7) Net assets	JPY 500,000	
(8) Total assets	JPY 500,000	
(9) Major shareholders and ownership ratio	NMC2007 Investment Limited Partnership: 100%	
(10) Relationship with the Company	Capital relationship	There are no particular capital relationships between the Company and the transferee. In addition, there are no capital relationships between the related persons/companies of the Company and the related persons/companies of the transferee.
	Personnel relationship	There are no particular personnel relationships between the Company and the transferee. In addition, there are

