

(Translation)

February 10, 2012

Company Name: Asahi Tec Corporation
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President and Executive Officer
(Code: 5606, First Section of the Tokyo
Stock Exchange)
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**Announcement Concerning Expression of Opinion in Favor of, and Recommendation to
Tender in, Second Tender Offer Bid by ATC HOLDINGS II Co., Ltd.
for the Shares of Asahi Tec Corporation**

Asahi Tec Corporation (the "Company") hereby announces that it resolved, at the meeting of its board of directors held on February 10, 2012, to express its support for the tender offer bid by ATC HOLDINGS II Co., Ltd. (the "Bidder". All issued and outstanding shares of the Bidder are held by certain investment funds belonging to Unison Capital Group, the details of which are referred to in "1. (7) Major Shareholders and Shareholding Ratios" below) for the shares of the Company (the "Second TOB"), and to recommend all shareholders to tender therein.

For your information, as stated in the Company's press release titled "Announcement Concerning Expression of Opinion in Favor of Tender Offer Bid by ATC HOLDINGS II Co., Ltd. for the Shares of Asahi Tec Corporation" which was issued on December 28, 2011, the Company's meeting of the board of directors held on the same date had resolved to express its support for the first tender offer bid for the Company's shares by the Bidder (the "First TOB"), to reserve its opinion on the appropriateness of the purchase price of the First TOB and to let its shareholders decide whether or not to tender in the First TOB. Further, according to the Bidder, the Bidder planned to initiate the Second TOB promptly after the settlement of the First TOB with a purchase price of JPY 33 per common share which is higher than that of the First TOB. The board resolved accordingly that it should support the Second TOB and recommends all shareholders tender therein. The board also resolved that it is reasonable to conduct the procedure to make the Company a 100% affiliated company of Unison Capital Group (the "Squeeze-Out". The First TOB, the Second TOB and the Squeeze-Out are collectively referred to as the "Transaction"). Please note that the resolutions concerning expressions of opinion for the First TOB and the Second TOB by the board of directors of the Company were adopted on the premise that the shares of the Company will be delisted as a result of the Squeeze-Out.

1. Outline of the Bidder

(1) Corporate Name	ATC Holdings II Co., Ltd.	
(2) Location	4-1, Kioicho, Chiyoda-ku, Tokyo	
(3) Name and Title of Representative	Kiyoto Matsuda, Representative Director	
(4) Description of Business	The Bidder's principal business is to acquire and hold the Share Certificates, etc. of the Company and to control and manage the Company's business.	
(5) Paid-in Capital	JPY 6,070,500,000	
(6) Date of Establishment	November 30, 2011	
(7) Major Shareholders and Shareholding Ratios (as of February 10, 2012) (Note)	Unison Capital III (F), L.P.	23.87%
	Unison Capital III, NK	18.79%
	Unison Capital III (A), L.P.	18.16%
	Unison Capital III (B), L.P.	14.75%
	Unison III Co-Investments (F), L.P.	8.92%
	Unison III Co-Investments (A), L.P.	6.24%
	Unison III Co-Investments (B), L.P.	5.28%
	Unison Capital III Co-Investments NK	3.99%
(8) Relationships between the Company and the Bidder/ATC Holdings I Co., Ltd.		
Capital Relationship	<p>The Bidder owns 440,747,459 common shares in the Company (which is 61.82% (rounded to two decimal places) among 712,940,223 shares, being the total issued and existing shares of the Company as of February 10, 2012, as set out in the quarterly securities report for the third quarter of the 105th fiscal year submitted by the Company on February 10, 2012) as a result of the settlement of the First TOB.</p> <p>ATC Holdings I Co., Ltd., a corporation of which all the issued and outstanding shares are owned by the Funds (as defined in the Note below), holds all of the Company's Class A preferred shares (11,141,000 shares) and Class B preferred shares (10,526,316 shares) (in total of 21,667 voting rights). There is no other noteworthy capital relationship between any persons/companies affiliated with the Company and those affiliated with the Bidder.</p>	
Personnel Relationship	N/A	
Business Relationship	<p>The Company has entered into an intercompany loan agreement and a related securities agreement with the Bidder, under which the Company may borrow via the Bidder, funds procured by the Bidder from financial institutions. There is no other particular business relationship between the Company and the Bidder. In addition, there is no noteworthy business relationship between any persons/companies affiliated with the Company and those affiliated with the Bidder (including ATC Holdings I Co., Ltd.).</p>	
Status as a Related Party	The Bidder is the parent company of the Company, therefore is a related party of the Company.	

(Note) The shareholders of the Bidder (the "Funds") are general partnerships (*kumiai*) or limited partnerships in which other limited partnerships established with investments from institutional investors, etc., are directly or indirectly investing.

2. Details of, and Grounds and Reasons for, the Opinion on the Tender Offer Bid

(1) Details of the Opinion on the Transaction including the Second TOB

As described below, the board of directors of the Company believes that, after taking into account the circumstances from the commencement of the First TOB to the present, including the revision to financial results forecasts and the new projects in China and in India etc. as announced today, there are no particular matters which will change the Company's decision made at the commencement of the First TOB. Therefore, the board of directors of the Company, held on February 10, 2012, confirmed that the previous decision should be sustained and resolved that the Company express its opinion to support the Second TOB and to recommend that the Company's remaining common shareholders tender their shares.

(2) Grounds and Reasons for the Opinion on the Transaction, including the Second TOB

(i) Overview of the Transaction including the Second TOB and Sale and Purchase of the Preferred Shares of the Company

According to the Bidder, in connection with the Transaction and the sale and purchase of the preferred shares of the Company which precedes the Transaction, the Bidder intends to acquire all of the issued and outstanding shares of the Company and anticipates the following four steps: (I) acquisition of preferred shares of the Company held by RHJ International S.A. ("RHJI") and by Tokio Marine Nichido Fire Insurance Co., Ltd. ("Tokio Marine Nichido") through bilateral transactions, (II) acquisition of common shares of the Company held by RHJI and Tokio Marine Nichido through the First TOB, (III) acquisition of common shares of the Company held by minority shareholders through the Second TOB, and (IV) subsequent Squeeze-Out (among these four steps, (I) and (II) above have been completed and the Second TOB refers to the step (III)).

In the first step, ATC HOLDINGS I Co., Ltd. ("ATCH1"), a corporation of which all issued and outstanding shares are owned by the Funds, acquired from RHJI all Class A preferred shares (7,429,000 shares) and all Class B preferred shares (10,526,316 shares) of the Company held by RHJI, and acquired from Tokio Marine Nichido all Class A preferred shares (3,712,000 shares) of the Company held by Tokio Marine Nichido, as of January 4, 2012 in advance of the First TOB (the "Preferred Share Transaction"). As the result, ATCH1 came to own all of the Class A and Class B preferred shares of the Company (for details, please see "3. Matters Concerning the Material Agreement between the Bidder, etc. and the Company's Shareholders on Tendering in the Second TOB" below).

In the second step, the Bidder conducted the First TOB, which had a tender offer period commenced on January 6, 2012 and ended on February 3, 2012 and a purchase price of JPY 27 per common share, in order to acquire the common shares of the

Company held by RHJI and Tokio Marine Nichido. As a result, as of the date hereof, the Bidder holds 440,747,459 common shares of the Company (which is 61.82% (rounded to two decimals) of 712,940,223 shares, being the total issued and existing shares of the Company as of February 10, 2012, as set out in the quarterly securities report for the third quarter of the 105th fiscal year submitted by the Company on February 10, 2012).

In the third step, the Bidder will conduct the Second TOB for the purpose of acquiring all of the common shares of the Company other than those owned by the Bidder, which will have a tender offer period commencing on February 13, 2012 and ending on March 26, 2012 (30 business days) (the "Second TOB Period") and a purchase price of JPY 33 per common share which is higher than that of the First TOB (JPY 27 per common share). (No limitation on the minimum or maximum number of shares to be purchased will be placed.)

According to the Bidder, the reason why the Bidder plans to conduct the Second TOB in addition to the First TOB is as follows:

The Bidder and ATCH1 (the "Bidder, etc.") aim to obtain all the issued and outstanding shares of the Company (with the exception of the treasury shares owned by the Company) through the Transaction and the abovementioned Preferred Share Transaction. In considering the Transaction and the Preferred Share Transaction, the Bidder first negotiated with each of RHJI, which was the largest shareholder in the Company, and Tokio Marine Nichido, which was a large shareholder in the Company, and as a result reached an agreement about a purchase by the Bidder, etc. of all shares of the Company and about the price therefor, by taking into account the terms and conditions of the purchase of the preferred shares and other conditions. On the other hand, although it is necessary to go through a tender offer bid in accordance with the laws, to acquire the Company's common shares from RHJI and Tokio Marine Nichido, the price agreed to for the common shares was determined as a result of the aforementioned negotiations with RHJI and Tokyo Marine Nichido by taking into account the terms and conditions of the purchase of the preferred shares and other conditions. Hence, it could be said that an opportunity had not been provided to the Company's shareholders, other than RHJI and Tokio Marine Nichido, to sell their common shares of the Company at a price that grants a premium on the average share price for a given recent period. The Bidder thus decided to conduct two tender offers, namely (i) the First TOB, which is to be conducted with the tender offer price agreed upon by the Bidder, RHJI and Tokio Marine Nichido, for the purpose of acquiring all common shares of the Company owned by RHJI and Tokio Marine Nichido, and (ii) the Second TOB, which is to be conducted in order to provide the Company shareholders, other than RHJI and Tokio Marine Nichido, with an opportunity to sell the common shares of the Company at a price that grants a premium on the average share price for a given most recent period, for the purpose of acquiring all the issued and outstanding common shares of the Company (with the exception of the treasury shares owned by the Company) from the Company shareholders other than RHJI and Tokio Marine Nichido.

Because the purchase price of the Second TOB was decided in order to provide the Company shareholders other than RHJI and Tokio Marine Nichido with a purchase price containing reasonable premium (which is based on the past average price of the shares for a given recent period), the purchase price is different from the purchase price of the First TOB that was decided after negotiations with RHJI and Tokio Marine Nichido.

The Bidder has determined the offer price of the Second TOB to be JPY 33 per common share. The determination of the offer price of the Second TOB was made after consultation and negotiation concerning the transaction terms and the offer price of the Second TOB between the Bidder and the Special Committee established by the Company for the review of the Transaction, with a view to protecting minority shareholders' interests and securing fairness in the transaction terms. Such consultation and negotiation was founded on (i) movements in the market closing price of the Company's common shares on the First Section of the Tokyo Stock Exchange Inc. ("Tokyo Stock Exchange") for periods of one month, three months, and six months prior to December 27, 2011, which is the trading day immediately preceding December 28, 2011, the date on which it was decided to commence the First TOB (the simple average values of the closing prices were JPY 25, 23 and 24 respectively, which were calculated by rounding to the nearest whole number. Hereinafter the same for any simple average value calculations) and the most recent market price (JPY 27, which is the closing price of the Company's common shares on the First Section of the Tokyo Stock Exchange as of December 27, 2011, which is the trading day immediately preceding December 28, 2011, the date on which the commencement of the Transaction was announced), (ii) financial information publicly announced by the Company, and (iii) the future cash flow outlook of the Company as calculated by the Bidder. In addition, (iv) the consultation and negotiation considered, as a reference, average levels of premiums offered in tender offer bids initiated by entities other than the issuing companies over the past five years which are similar to the Transaction described herein. The Bidder has not obtained a valuation report from any third party institution in determining the offer price of the Second TOB.

The offer price of the Second TOB will be equivalent to (i) the closing price of the Company common shares on the First Section of the Tokyo Stock Exchange on December 27, 2011, which is the trading day immediately preceding December 28, 2011, the date on which it was decided to commence the First TOB (JPY 27), with a premium of 22.22% (all figures are rounded to two decimal places, and hereinafter the same for the following premium calculations), (ii) the simple average of the closing price for the last one month leading up to December 27, 2011 (JPY 25), with a premium of 32.00%, (iii) the simple average of the closing price for the last three months leading up to December 27, 2011 (JPY 23), with a premium of 43.48%, and (iv) the simple average of the closing price for the last six months leading up to December 27, 2011 (JPY 24), with a premium of 37.50%.

Furthermore, the offer price of the Second TOB will be equivalent to the closing price of the Company's common shares on the First Section of the Tokyo Stock Exchange

on February 9, 2012, which is the trading day immediately preceding February 10, 2012, the date on which it was decided to commence the Second TOB (JPY32), with a premium of 3.13%.

In the fourth and final step, if the Bidder cannot acquire all of the remaining Company common shares (with the exception of the treasury shares owned by the Company) through the Preferred Share Transaction, the First TOB and the Second TOB, the Bidder plans to request the Company to conduct a Squeeze-Out transaction where the Bidder will acquire all of the Company shares (with the exception of the preferred shares held by ATCH1 and the treasury shares owned by the Company) after completion of the Second TOB and make the Company a wholly owned subsidiary of the Bidder, etc. (see "2. (4) Policies for Organizational Restructuring After the Second TOB (matters concerning the so-called "two-step acquisition"))

(ii) Purpose and Background of the Transaction including the Second TOB and Management Policy After the Second TOB

Since its incorporation as the Asahi Malleable Iron Co., Ltd., through the reformation of the Asahi Foundry in 1938, the Company increased its name recognition, credibility and the scale of its business through such accomplishments as listing in the Second Section of the Nagoya Stock Exchange in February 1961 and then in the Second Section of the Tokyo Stock Exchange in December 1980, changing its corporate name to the current ASAHI TEC CORPORATION in November 1989, and becoming listed in the First Sections of the Nagoya Stock Exchange and the Tokyo Stock Exchange in November 1990. Subsequently, the Company's business options and concentration progressed in May 2003 as the Company accepted equity participation by the U.S. investment company, Ripplewood Holdings L.L.C. to increase the Company's rate of return by finding new investors and strengthening business resources, as well as strengthening the Company's financial standing. Techno-Metal Co., Ltd. was made into a wholly-owned subsidiary in February 2006 and Metaldyne Corporation was made into a wholly-owned subsidiary in January 2007 (however, Metaldyne Corporation and its 30 subsidiary companies had filed for Chapter 11 bankruptcy protection under the United States Bankruptcy Code in May 2009 and were exempted from the Company's targets for consolidation). In November 2010, the Company sold its environmental equipment business through the sale of shares in its former subsidiary company ASAHI TEC Environmental Solutions Corporation. Also during this period, progress was being made in the transfer of the Company's production base overseas to countries such as Thailand and China.

In the course of the above developments, the Company has experienced and overcome a number of severe challenges such as the significant impact of Lehman Shock, which was said to be a once in a century incident, Metaldyne Corporation's bankruptcy in 2009 (Metaldyne was acquired in early 2007), the Great East Japan Earthquake that occurred in March 2011, and the great flood in Thailand that occurred in July 2011 and continued for several months. In the past few years, we have been steering the Company's business through severe crises with a focus on "survival". We have also been dedicating ourselves to through cost cut and improvement of the Company's cost

structure.

However, as precisely expressed in our press release dated December 19, 2011, concerning financial forecast revisions, in which we revised the numbers upwards, now we are confident that we have finally escaped from these crises. While unclear circumstances such as financial instability in Europe arising from the Greek financial crisis and a slowdown in development in emerging countries such as China and India would continue for some time, the Company wants to proceed with a positive and aggressive business plan focusing on further "progress" rather than the conventional "survival".

In the automobile industry, significant changes are expected in the supply-demand structure due to severe competition for survival now and in the future. In order to respond to the changes, a more flexible business strategy and expedited decision-making is necessary. The management of the Company understands that the Squeeze-Out and delisting proposed by Unison Capital Group is an investment in the Company's potential development, and will enable us to undertake more flexible steering in our business and, to pursue mid- and long- term business development backed by a stable shareholder without concern about short-term risks. We believe it would be beneficial to the Company's future business and management.

We expect the new shareholder to provide a support in terms of necessary fund raising and human networking, in line with our business development strategy, and we desire to further strengthen and pursue efficiency in, business resourcing and to further the progress of our business.

From the standpoint of the above, we are considering making the Company a membership company by means of a company split. Moreover, we intend to obtain support from a new large shareholder and pursue aggressive business developments, as described in our press releases titled "Announcement Concerning Consideration of Iron Casting Joint Venture in China" and "Announcement Concerning Consideration of Joint Venture Business in the Field of Light Metal Machine Parts in India" issued as of February 10, 2012.

Meanwhile, according to the Bidder, the Unison Capital Group had the opportunity to meet with Company management in around June 2011 to consider the subject of the future of the Company, and afterwards held consultations and reviews of the Company's business strategy and capital policy from the standpoint of encouraging future medium and long-term growth of the Company. Based on the results of those consultations and reviews, the Unison Capital Group came to recognize that, by effectively utilizing the technological capability, strong relationships with existing customers backed by actual results, and high-quality, competitive products that the Company has accumulated through its businesses, it will be possible to support the business growth of the Company in line with the business plan currently being promoted by the Company management, and to improve the enterprise value of the Company. The Unison Capital Group believes that it will be possible, while maintaining the continued stable growth of the iron casting and forging business, to promote further growth of the light metals business by actualizing such measures as

the further strengthening of the Company's financial position and the efficient distribution of business resources, through actions such as providing know-how that Unison Capital Group has accumulated from supporting efforts aimed at improving the enterprise value of the companies in which it has invested up to the present, and providing support on a personnel basis utilizing a broad network of business resources. Looking to the future, the plan is to examine schemes such as growing each of the Company's businesses to a scale at which they will be able to operate as independent businesses under an independent profit system and thereby actualize the value of the business resources in each of the businesses and, the possibility of selection and concentration of business resources (including making the Company a membership company, other organization restructuring and sale of a part of its businesses).

However, in the drastically changing business environment, the implementation of various policies such as those mentioned above is accompanied by no small number of uncertainties, and it is not necessarily the case that they will contribute to profitability as initially predicted. Various risks will arise and there will be considerable cost and time required for the construction of the management system and the implementation of policies necessary to strengthen the Company's long-term competitiveness and accomplish sustainable long-term growth. Therefore, beyond the concern that increased volatility in profits will have a harmful effect on performance, the Unison Capital Group believes that it will be necessary to construct a management system that enables quick and flexible decision-making based on the success or failure of individual policies

Based on the aforementioned circumstances, according to the Unison Capital Group, in order to transform the Company into a company that continuously creates long-term added value, it will be necessary to construct a management structure at the Company that enables quick and flexible decision-making based on an appropriate understanding of the management challenges that the Company is facing, without being controlled by short term fluctuations in business results. However, because there is a possibility that the implementation of these policies in order to realize such changes poses a risk to ordinary shareholders of the Company, in June 2011 the Unison Capital Group proposed a Transaction to RHJI, the largest shareholder of the Company, having decided that the Bidder and ATCH1 should take on such risk to keep these effects from reaching shareholders, and that the best course of action will be to conduct the Transaction including the First TOB and the Second TOB with the purpose of the Bidder ultimately acquiring all of the issued and outstanding shares in the Company (with the exception of the preferred shares held by ATCH1 and the treasury shares owned by the Company) is the best course of action. Afterwards, the Unison Capital Group and RHJI held several consultations, and arrived at a basic understanding on the course of action in conducting the Transaction and the sale and purchase of the preferred shares of the Company that precedes the Transaction in December 2011.

Furthermore, the Unison Capital Group opened consultations with Tokio Marine Nichido in mid-December 2011, and arrived at a basic understanding on the course of action in conducting the Transaction and the sale and purchase of the preferred shares

of the Company that precedes the Transaction around the end of December 2011.

Additionally, on November 29, 2011, the Unison Capital Group proposed the Transaction to the Company, and held consultations and negotiations on the success or failure of the Transaction and the conditions of the Transaction (including the offer price of the Second TOB) with the Special Committee established by the Company for the review of the Transaction from the viewpoint of protecting minority shareholders' interest and securing fairness in transaction terms, and with the Company's financial advisor, Barclays Capital (for the details, please see "(ii) Review by the Company's Special Committee" and "(iv) Approval by the Company's Directors Who Have No Interest in the Transaction" in "2. (5) Measures to Ensure Fairness of the Transaction, such as Measures to Ensure Fairness of the Purchase Price and Measures to Avoid Conflicts of Interests"). Based on the results of the consultations, on December 28, 2011 the Bidder, etc. decided to conduct the Transaction, including the Second TOB, and the Preferred Share Transaction.

(iii) Management Policy After the Transaction, including the Second TOB

According to the Bidder, at the first shareholders' meeting of the Company to be held after the settlement of the Second TOB, the Bidder plans to request that the Company introduce a proposal for the election of directors designated by the Bidder who will comprise a majority of the Board of Directors of the Company. The four (4) directors dispatched from RHJI to the Company have resigned as directors of the Company as of February 10, 2012, which is the settlement date of the First TOB, pursuant to the agreement between the Bidder and RHJI. On the other hand, as a general rule, the current administrative system is expected to be maintained in relation to the activities of management.

In addition, the Bidder refinances all amounts of loans under the syndicated loan agreements (the loan agreement and the subordinated loan agreement) executed on February 22, 2011 by the Company Group with funds procured by the Bidder from financial institutions, and obtains a security interest over the Company's assets to secure the inter-company loan extended by the Bidder to the Company in relation to such refinancing.

(iv) Grounds and Reasons for the Opinion on the Transaction, including the Second TOB

After the Bidder proposed the Transaction including the Second TOB to the Company, the Company established the Special Committee and carefully reviewed the proposal including the expression of opinion concerning the First TOB, as described in "2. (5)(ii) Review by the Company's Special Committee" below. As a result, the Company concluded that it is appropriate to support the First TOB. However, as we were advised by the Bidder that if the First TOB is successfully completed, the Bidder plans to initiate the Second TOB promptly after the settlement of the First TOB, with a purchase price of JPY 33 per common share which is higher than the price in the First TOB, we decided that we should refrain from judging the appropriateness of the purchase price of the First TOB, and that it is desirable to leave it to our shareholders to decide whether or not to tender for the First TOB. The Company decided, at the

time of the announcement concerning expressions of opinion in favor of the First TOB, that it should express its opinion to support the Second TOB if it is initiated and to recommend the Company's remaining common shareholders tender their shares, and that, if requested by the Bidder, it is also reasonable to conduct the Squeeze-Out. The Company sustained the abovementioned decision at the resolution of its meeting of the board of directors on February 10, 2012, and the board resolved to express its support for the Second TOB and to recommend its shareholders to tender therein.

The reasons for the above are as follows:

As described in "2. (2) (ii) Purpose and Background of the Transaction including the Second TOB and Management Policy After the Second TOB", the Company has expanded its businesses through its own growth and through acquisitions, but the Company is experiencing a challenging business environment, such as Metaldyne Corporation's bankruptcy due to the Lehman Shock in 2008 and subsequent depression in the automobile industry. The Company also experienced and overcame the Great East Japan Earthquake that occurred in March 2011 and the great flood in Thailand that occurred in July 2011 and continued for several months. In the past few years, we have been steering the Company's business "for survival" due to such severe crises and dedicating ourselves to thorough cost-cutting and improvement of the cost structure.

However, as precisely expressed in our press release dated December 19, 2011, concerning financial forecast revisions, in which we revised numbers upwards, we are now confident that we have finally escaped these crises. While uncertain circumstances such as financial instability in Europe arising from the Greek financial crisis and the slowdown in development speed in emerging countries such as China and India, would continue for some time, the Company wants to proceed with a positive and aggressive business plan focusing on further "progress" rather than conventional "survival."

In the automobile industry, significant changes will be expected in the supply-demand structure due to strong competition for survival now and in the future, and in order to respond to the changes, more flexible business strategy and expedited decision-making will be necessary. The management of the Company understands that the Squeeze-Out and delisting proposed by the Bidder is an investment in the Company's potential development, and will enable us to perform more flexible steering in our business, to pursue mid- and long- term business development backed by a stable shareholder without concern about short-term risks, and we believe it would be beneficial to the Company's future business and management.

Considering the above and giving utmost respect to the Special Committee's advice, the Company had concluded that (i) the Company would support the First TOB and (ii) it is appropriate for the Company to refrain from judging the purchase price of the First TOB and leave it to its shareholders to decide whether or not to tender in the First TOB. The Company had also concluded that, at the time of the announcement concerning the expression of opinion in favor of the First TOB, it should express its

opinion to support the Second TOB if it is initiated and to recommend the Company's remaining common shareholders tender their shares, and that, if requested by the Bidder, it is also reasonable to conduct the Squeeze-Out. Upon the commencement of the Second TOB, the Company believes that, after taking into account the circumstances from the commencement of the First TOB to the present, including the revision to financial results forecasts and the new projects in China and in India etc. as announced today, there are no particular matters which will change the Company's decision made at the commencement of the First TOB. Therefore, the Company has concluded that the previous decision should be sustained and it would reaffirm its expression of support for the Second TOB and recommend its shareholders to tender therein.

The Bidder and the Company have not entered into any agreement which includes a transaction protection clause that prohibits the Company from contacting any competing bidder other than the Bidder or from changing its opinion concerning the tender offer bid if a competing bidder other than the Bidder arises.

(3) Possibility of and Reasons for Delisting

The common shares in the Company are listed on the First Section of the Tokyo Stock Exchange as of the date hereof. However, the Bidder has not set a maximum number of Share Certificates, etc. to be purchased in the Second TOB, and the common shares in the Company might be delisted through prescribed procedures in accordance with the Tokyo Stock Exchange's criteria for delisting shares, depending on the results of the Second TOB. Also, even if the shares in the Company do not fall under that criteria at the time the Second TOB has been successfully completed, the Bidder plans to perform the Squeeze-Out procedures, in which case the common shares in the Company will be delisted through prescribed procedures in accordance with the Tokyo Stock Exchange's criteria for delisting shares. If the common shares in the Company are delisted, they will become untradeable on the Tokyo Stock Exchange.

(4) Policies for Organizational Restructuring After the Second TOB (matters concerning the so-called "two-step acquisition")

According to the Bidder, as set out in "2. (2) (i) Overview of the Transaction, including the Second TOB and Sale and Purchase of Preferred Shares of the Company", the Bidder will conduct the Second TOB with the objective of ultimately acquiring all issued and outstanding common shares of the Company. If the Bidder fails to acquire all issued and outstanding common shares of the Company (with the exception of the treasury shares owned by the Company) through the Second TOB, the Bidder plans to carry out the Squeeze-Out procedures by the following method once the Second TOB is successfully completed in order to acquire all issued and outstanding common shares of the Company (with the exception of the treasury shares owned by the Company).

In particular, the Bidder intends to request the Company to hold a general shareholders' meeting after the successful completion of the Second TOB at which the proposals in (a) through (c) below will be submitted (the "Shareholders Meeting"), and to hold, on the

same date as that of the Shareholders Meeting, separate meetings for the shareholders of common shares, shareholders of Class A preferred shares, and shareholders of Class B preferred shares at which the proposal in (b) below for amendment of the Articles of Incorporation will be submitted (the "Class Shareholders Meeting"): (a) to amend the Articles of Incorporation of the Company to enable the Company to issue a different class of shares other than common shares, Class A preferred shares, and Class B preferred shares; (b) to amend the Articles of Incorporation of the Company to impose an option to call all common shares (which refers to the matters stipulated by Article 108, Paragraph 1, Item (7) of the Companies Act; hereinafter the same) issued by the Company; and (c) to deliver a different class of shares in the Company in exchange for the acquisition of relevant shares by the Company (with the exception of the treasury shares owned by the Company). According to the Bidder, the Bidder, etc. plans to approve each of the above proposals at the Shareholders Meeting and the Class Shareholders Meeting (at which each has voting rights).

According to the Bidder, etc., it plans to request the Company to hold the Shareholders Meeting and the Class Shareholders Meeting by June, 2012, but the Company will promptly make an announcement about specific procedures, times and dates, and other details about the Shareholders Meeting and the Class Shareholders Meeting, once the Bidder, etc. have determined these details upon consultation with the Company.

If each procedure above is implemented, all common shares issued by the Company will be issued subject to the option to call all shares, and all of which (with the exception of the treasury shares owned by the Company) will thereafter be acquired by the Company. While the common shareholders of the Company will be delivered a different class of shares of the Company as consideration for the acquisition, the common shareholders of the Company who will be allocated a fraction of one share of such different class of shares in the Company will instead receive an amount of money obtained by selling such different class of shares in the Company equal to the aggregate of the fractions (such aggregate will be rounded down to the nearest whole unit) or otherwise, in accordance with the procedures provided for in Article 234 of the Companies Act and other relevant laws and regulations. A petition is planned to be filed with the court for permission for sale by private contract, after valuing the sale price of such different class of shares in the Company equal to the aggregate of the fractions, so that the amount of money to be delivered to each common shareholder as a result of the sale will be equal to the price obtained by multiplying the Second TOB price by the number of common shares in the Company owned by each such shareholder. The class and number of shares in the Company to be delivered as consideration for the acquisition of common shares in the Company with an option to call all shares has not been determined as of the date hereof. However, the Bidder will request the Company to determine such class and number so that the number of shares in the Company to be delivered to those shareholders of common shares in the Company who did not tender their shares in the Second TOB other than the Bidder, will be a fraction of one share in order for the Bidder to own all of the issued and outstanding common shares in the Company (with the exception of the treasury shares owned by the Company).

With respect to the provisions under the Companies Act that can be thought to be designed

to protect minority shareholders in relation to the procedures above, the Companies Act provides that the shareholders may (i) request the purchase of their shares in accordance with Article 116 and Article 117 of the Companies Act and other provisions of relevant laws and regulations, if the Articles of Incorporation are amended to impose an option to call all of the Company's common shares set out in (b) above, or (ii) file a petition to determine the acquisition price of their shares in accordance with Article 172 of the Companies Act and other provisions of relevant laws and regulations if the acquisition of all common shares with an option to call all shares set out in (c) above is approved at the Shareholders Meeting. The purchase price or acquisition price per share under the methods in (i) and (ii) above will ultimately be determined by the court.

Procedures other than those having the same effect as those in (a) through (c) above may be performed depending on the status of matters such as the interpretation of any relevant law or regulation by relevant authorities and the ownership of shares in the Company by the Bidder or by the shareholders of the Company other than the Bidder after the Second TOB. However, even in such case, the Bidder plans to own all of the issued and outstanding common shares in the Company (with the exception of the treasury shares owned by the Company) by ultimately delivering money to the Company's common shareholders other than the Bidder, and the amount of money to be delivered to the common shareholders of the Company other than the Bidder in such a case is expected to be valued so that it will be equal to the price obtained by multiplying the offer price of the Second TOB by the number of common shares in the Company that each such shareholder had owned. The Company will promptly make an announcement concerning the specific procedures in such a case once the Bidder, etc. has determined the details upon consultation with the Company.

The shareholders of the Company are in no way being solicited through the Second TOB to endorse any proposal at the Shareholders Meeting and the Class Shareholders Meeting.

(5) Measures to Ensure Fairness of the Transaction, such as Measures to Ensure Fairness of the Purchase Price and Measures to Avoid Conflicts of Interests

As described in "Agreement between the Bidder and RHJI on Tendering in the First TOB" in 3. (2) below, the Bidder entered into an agreement to tender with RHJI upon the First TOB. At the time of commencement of the First TOB, four (4) external directors out of all ten (10) directors of the Company concurrently served as directors or employees of RHJI or its subsidiaries. As of the date hereof, the Bidder is the controlling shareholder of the Company. It holds 440,747,459 shares of the Company's common shares (61.82% (rounded to two decimal places) of 712,940,223 shares, being the total issued and outstanding shares of the Company as of February 10, 2012, as set forth in the quarterly securities report for the third quarter of the 105th fiscal year submitted by the Company on February 10, 2012). Taking into consideration this situation where conflicts of interest are structurally likely to arise when considering the Transaction including the First TOB and the Second TOB, the Company has implemented, among other things, the following measures to ensure the fairness of the Transaction including the First TOB and the Second TOB in light of (i) guaranteeing fairness of the transaction terms and conditions including the purchase price under the First TOB and the Second TOB, (ii)

eliminating arbitrary actions in the process of determining the implementation of the Transaction and (iii) avoiding conflicts of interest:

- (i) Procurement by the Company of a Valuation Report and Fairness Opinion from Independent Third-Party Valuation Institution

The Company has engaged Barclays Capital ("BC") as an independent third-party valuation institution (in relation to the Transaction and the Preferred Share Transaction) to ensure the fairness of the purchase price under the First TOB and the Second TOB proposed by the Bidder and the fairness of the decision-making process in respect of the purchase price under the First and the Second TOB, and received a share valuation report ("Valuation Report") from BC on December 28, 2011.

BC obtained information including the current status and prospects of the business of the Company and received an explanation of such information from the directors of the Company (excluding Mr. Hideki Kurashige, the Chairman and Representative Director of RHJ International Japan K.K.; Anthony A. Barone, the executive vice president of Ripplewood Holdings LLC; Rüdiger Schmid-Kühnhöfer, the COO and General Counsel of RHJI; and Suminori Arima, the managing director of RHJ International Japan K.K. They have or may have special interests in the Transaction and the Preferred Share Transaction. For your information, Messrs. Hideki Kurashige, Anthony A. Barone, Rüdiger Schmid-Kühnhöfer and Suminori Arima have resigned as directors of the Company as of February 10, 2012, which is the settlement date of the First TOB, in accordance with the agreement to tender with respect to the First TOB dated December 28, 2011 executed by and between the Bidder and RHJI.), and analyzed the value of the Company's common shares based on such information and explanations.

After considering the calculation method to be adopted for the share evaluation of the Company's common shares among various evaluation methods, BC analyzed the value of the Company's common shares based mainly on (i) market price analysis, (ii) transaction comparables analysis, (iii) trading comparables analysis and (iv) discounted cash flow analysis (the "DCF Analysis") out of some other possible valuation methods, based on the going concern assumption and based on the belief that it would be appropriate to provide a broad-ranging analysis on the value of the Company's common shares. The reason for BC adopting each of the foregoing methods and the per-share value of the Company's common shares based on each of the foregoing methods are set forth below. BC has taken into account the amendment to earnings forecast for the fiscal year ending on March 2011 as described in the Company's press release captioned "Notice Regarding Revision of Financial Forecast" dated December 19, 2011. Additionally, as described hereinbelow, the board of directors of the Company examined the circumstances from the commencement of the First TOB to the present, including the revision to financial results forecasts and the new projects in China and in India etc. as announced today, and concluded that the range of revision to financial results forecasts is limited and the mid- and long-term business plan upon which the Valuation Report was based had already considered the mid- and long-term financial impact of business expansion etc. in Asia. Therefore, the board of directors of the

Company believes that, even after taking into account the new announcements, there are no changes in the assumed facts which may affect the details of the Valuation Report and the Valuation Report remains effective.

Method of Analysis	Range of Per Share Price
Market price analysis:	JPY 17 to JPY 38
Trading comparables analysis:	JPY 16 to JPY 26
Transaction comparables analysis:	JPY 11 to JPY 15
DCF Analysis:	JPY 29 to JPY 36

The market price analysis evaluates the value of the Company's shares based on the price of common share of the Company in the market. BC has adopted this method as an objective method of analyzing the value of the shares of a publicly listed company. Under the market price analysis, BC determined the per share value of the Company's common shares to be JPY 17 to JPY 38 based on the price of shares of the Company during the most recent 12 months, with December 27, 2011, the trading date immediately preceding December 28, 2011 on which it was decided to commence the First TOB, as the valuation date, and by taking into consideration recent market trading of the Company's shares.

The trading comparables analysis evaluates the value of the Company by comparing market share prices and financial indicators that show profitability of other listed companies that are engaged in businesses similar to the Company's business. BC has adopted this method as there are multiple similar and comparable listed companies that enable analogical analysis of the value of the Company's common shares by using the trading comparables analysis. Based on the trading comparables analysis, BC determined the per-share value of the Company's common shares to be JPY 16 to JPY 26.

The transaction comparables analysis evaluates the value of the Company's shares by comparing the transaction prices and financial indicators that show profitability in publicly announced transactions inside and outside Japan that are similar to the First TOB and the Second TOB and involve auto parts, truck parts and construction machinery parts manufacturers. BC determined the per-share value of the Company's common shares to be JPY 11 to JPY 15.

The DCF Analysis is a method of analyzing the enterprise value of the Company and the value of the Company's common shares based on its future cash flow (profitability). BC has adopted this method as it considered suitable for evaluating the value of a going concern company. Based on the DCF Analysis, the per-share value of the Company's common shares has been determined to be JPY 29 to JPY 36 by discounting the Company's future free cash flow calculated based on the business plan of the Company to the present value, by using a specific discount rate. Any material increase or decrease in the profit was not expected in the business plan based on which the DCF Analysis was made.

Based on the above valuation analysis, BC states in its opinion letter dated December 28, 2011 (the "Fairness Opinion") that the purchase price for the Second TOB is fair to the Company's shareholders (other than RHJI and Tokio Marine Nichido) from a financial perspective. BC also states in its Fairness Opinion that the enterprise value, calculated on the basis of the total amount of consideration paid for the Company's common shares (with the exception of the treasury shares owned by the Company) and the preferred shares, is fair to the Company from a financial perspective.

BC is not a related party of the Bidder or the Company, and does not have any material interest in the Transaction or the Preferred Share Transaction that should otherwise be disclosed hereto.

(Note) Preparation of the Valuation Report and the Fairness Opinion is subject to and based on certain limitations including the following assumptions, procedures, consideration and limitations on the analysis. BC has not been requested to opine as to, and BC's opinion does not in any manner address, (A) the Company's underlying business decision to proceed with or effect the Transaction, (B) the likelihood of consummation of the Transaction, (C) fairness and appropriateness of the allocation of the above-mentioned enterprise value among shareholders and creditors and any other interested parties of the Company, or (D) the dispute between the Company and the Pension Benefit Guaranty Corporation referred to in "3. (1) Acquisition of Class A Preferred Shares and Class B Preferred Shares" below (and the economic impact thereof on the Company) and the arrangement based on the agreement between ATCH1 and RHJI concerning the loss, damage and expense of the Company which has arisen or will arise from such dispute (For details, please see "3. (1) Acquisition of Class A Preferred Shares and Class B Preferred Shares" below). In arriving at BC's opinion rendered in the Valuation Report and the Fairness Opinion, BC has assumed and relied upon the accuracy and completeness of the financial and other information used by BC without any independent verification of such information (and has not assumed responsibility or liability for any independent verification of such information), and has further relied upon the assurances of management of the Company that the Company is not aware of any facts or circumstances that would make such information inaccurate or misleading. With respect to the financial projections of the Company, BC has assumed that such projections have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of the Company as to the future financial performance of the Company. BC assumes no responsibility for and BC expresses no view as to any such projections or estimates, or the assumptions on which they are based. Neither of the Valuation Report nor the Fairness Opinion is intended to be and does not constitute a recommendation to any shareholder of the Company to tender the Company's common shares held by such shareholder.

(ii) Review by the Company's Special Committee

In the Transaction, the tendering shareholder for the First TOB will be the controlling shareholder of the Company, while in the Second TOB, the Bidder will make a further purchase as a new controlling shareholder. The Squeeze-Out and delisting are contemplated thereafter. As such, the interests in the Transaction are complicated. Further, fairness in decision-making is required. Therefore, at the meeting of its board of directors held on October 20, 2011, the Company established the Special Committee as a subcommittee of its board of directors, and appointed three persons as committee

members, namely, Messrs. Soichi Koshio ("Mr. Koshio"), Edward G. Krubasik ("Dr. Krubasik") and Thomas C. Amato ("Mr. Amato") in order to express opinions regarding the Transaction from a neutral position. Neutrality and independence of the three members was ensured by the following: none of them have an interest as a tendering shareholder, as the Bidder or in the Transaction and the Preferred Share Transaction (i.e., they will not be excluded from discussing and adopting the resolution when the board of the Company expresses an opinion regarding the First TOB and the Second TOB); Mr. Koshio is an outside director of the Company and is registered as an independent officer with the Tokyo Stock Exchange, where the Company's shares are listed; Dr. Krubasik is an outside director of the Company; and Mr. Amato is currently a part-time director without executive power although he used to be the Company's executive officer. Although Mr. Koshio owns 186,000 common shares and Mr. Amato owns 231,068 common shares of the Company, their holding ratio is very small and would not affect their independence as described above.

Twenty Special Committee meetings were held from November 10, 2011 to December 28, 2011. The Special Committee conducted interviews with the Bidder and had discussions with the management of the Company. It also consulted with BC, a financial advisor appointed by the Company, and Anderson Mori & Tomotsune, the independent legal advisor appointed by the Company, and verified the Valuation Report and the Fairness Opinion obtained from BC, the legal advice received from Anderson Mori & Tomotsune and other relevant materials. In addition, the Special Committee received explanations from, and discussed and negotiated the terms including the offer price of the Second TOB from the viewpoint of protecting minority shareholders interests, with, the Bidder and its advisor Unison Capital Group, regarding the structure, and terms and conditions of the Transaction and the Preferred Share Transaction. More specifically, the Special Committee examined the following items:

- (a) Whether the Transaction, including the Second TOB, will contribute to an increase in the Company's enterprise value.

The Company and the Special Committee received an explanation from the Bidder regarding the outline of the business and investment experiences of the Bidder and Unison Capital Group, which is an advisor of the Bidder. Additionally, the Company received an explanation about what was set forth in "2. (2)(ii) Purpose and Background of the Transaction, including the Second TOB and Management Policy After the Second TOB" above, and the benefits that the Company would obtain if the Bidder makes the Company its wholly owned subsidiary. According to the Bidder, the Bidder is now prepared to support mainly the following areas: (i) secure capital for the growth of the Company; (ii) strengthen the governance system of the Company and accelerate the speed in decision-making process, (iii) participate in the management with a team of experienced professionals who understand the Company's business plan, and (iv) work closely with management advisers of Unison Capital Group to solve the business issues. The Special Committee carefully discussed the possible impact on the financial conditions and terms of the Preferred Share Transaction, and whether or not the First TOB, together with the Second TOB and the Squeeze-Out to be implemented thereafter, will increase the Company's

enterprise value.

As described in "2. (2) (ii) Purpose and Background of the Transaction, including the Second TOB and Management Policy After the Second TOB," the Company has expanded its businesses through its own growth and through acquisitions, but the Company is experiencing a challenging business environment such as Metaldyne Corporation's bankruptcy, due to the Lehman Shock in 2008 and the subsequent depression in the automobile industry. The Company also experienced and overcame the Great East Japan Earthquake that occurred in March 2011 and the great flood in Thailand that occurred in July 2011 and continued for several months. In the past few years, we have been steering the Company's business "for survival" in severe crises dedicating ourselves to thorough cost-cutting and improvement of our cost structure.

However, as precisely expressed in our press release dated December 19, 2011, concerning financial forecast revision, in which we revised numbers upwards, we are now confident that we have finally escaped these crises. While uncertain circumstances such as financial instability in Europe arising from the Greek financial crisis and a slowdown in development in emerging countries such as China and India, will continue for some time, the Company wants to proceed with a positive and aggressive business plan focusing on further "progress" rather than the conventional "survival."

In the automobile industry, significant changes are expected in the supply-demand structure due to strong competition for survival now and in the future, and in order to respond to the changes, more flexible business strategy and expedited decision-making will be necessary. The management of the Company understands that the Squeeze-Out and delisting proposed by the Bidder is an investment in the Company's potential development, and will enable us to undertake more flexible steering of its business, to pursue mid- and long- term business development backed by a stable shareholder without concern about short-term risks, and we believe it will be beneficial to the Company's future business and management.

Based on the above, the Special Committee concluded that the Transaction will contribute to an increase in the Company's enterprise value, because of the purpose set forth in 2. (2)(ii) above is reasonable and that the Company would benefit from it.

- (b) Fairness of the terms and conditions of the Transaction, including the Second TOB, is ensured.

Secondly, as described in "2. (5)(i) Procurement by the Company of Valuation Report and Fairness Opinion from Independent Third-Party Valuation Institution" above, the Special Committee obtained the Valuation Report and the Fairness Opinion from BC, an independent third-party valuation institution, and examined the reasonableness and appropriateness of the purchase prices proposed by the Bidder for the Transaction.

The purchase price offered by the Bidder was JPY 27 per common share for the First TOB, and JPY 33 per common share for the Second TOB. Meanwhile, the Valuation Report stated that the value of the Company's common shares is JPY 17 to JPY 38 per share, as determined through the market price analysis; JPY 16 to JPY 26 per share, as determined through the transaction comparables analysis; JPY 11 to JPY 15 per share, as determined through the trading comparables analysis; and JPY 29 to JPY 36 per share, as determined through the DCF Analysis.

Based on the above valuation analysis, BC states in the Fairness Opinion that the purchase price for the Second TOB presented by the Bidder is fair to the Company's shareholders (other than RHJI and Tokio Marine Nichido) from a financial perspective. BC also states in the Fairness Opinion that the enterprise value, calculated on the basis of the total amount of consideration paid for the Company's common shares (with the exception of the treasury shares owned by the Company) and the preferred shares, is fair to the Company from a financial perspective. The Special Committee has not found any unreasonable points or substantial issues with respect to the process through which the Fairness Opinion was produced, or the calculation process of the Valuation Report.

On the other hand, the purchase price for the First TOB is not subject to the Fairness Opinion. According to the Bidder, however, the First TOB is based on the terms and conditions (including purchase price) which were agreed in advance pursuant to the agreement to tender executed between the Company's controlling shareholder, RHJI; the Company's shareholder, Tokio Marine Nichido; and the Bidder. Therefore, it was expected that the shareholders who will tender will be limited to the shareholders who are parties to such agreement to tender, while other minority shareholders are not expected to tender. As such, the Second TOB was planned to be launched promptly after the First TOB, with a purchase price (JPY 33 per common share) higher than that for the First TOB. Considering these factors and by looking at the Transaction and the Preferred Share Transaction as a whole, regardless of the purchase price for the First TOB, the terms and conditions of the Transaction (including the offer price of the Second TOB) are considered to be fair. However, the Company believed that it should refrain from judging the appropriateness of the purchase price for the First TOB.

As stipulated in "3. (1) Acquisition of Class A Preferred Shares and Class B Preferred Shares," the transfer price for the preferred shares paid to RHJI will be adjusted between RHJI and ATCH1, according to the amount of the PBGC Litigation Costs (as defined below). However, even if such adjustment is to be done, the substantive consideration (per common share consideration in the event that class shares are converted to common shares) will never exceed the purchase price of the Second TOB. Therefore, the Company believes that the adjustment with respect to the PBGC Litigation Costs will not affect the decision regarding the abovementioned fairness.

- (c) Whether the Transaction, including the Second TOB, pays sufficient attention to the minority shareholders through fair procedures

The Transaction adopts a structure whereby the tender offer bid is conducted in two steps, which is unprecedented in Japan. From the point of view of shareholder protection, the point at issue would be how the Transaction ensures that the Second TOB, which has a higher purchase price, would actually be launched after the First TOB to which the former controlling shareholder (RHJI) and other shareholders would tender.

The Company has been clearly advised by the Bidder on this point, and the press release issued by the Bidder on December 28, 2011 titled "Announcement concerning Acquisition of Preferred Shares of Asahi Tec Corporation and Commencement of Tender Offer Bid for Common Shares" also clearly states that, if the First TOB is successfully settled, promptly after the settlement, the Second TOB with a purchase price of JPY 33 per common share, which is higher than the purchase price (JPY 27 per common share) for the First TOB, will be launched with the purpose of obtaining all the issued and outstanding common shares in the Company (with the exception of the treasury shares owned by the Company) held by persons other than the Bidder. Thus, the Company considers that the Transaction has a structure in which the Bidder seeks to respect the interests of minority shareholders to a certain extent by clearly disclosing the schedule for the Second TOB.

In the Transaction, after the completion of the 2-step TOB, the Bidder intends to conduct the Squeeze-Out through a scheme utilizing class shares subject to a class-wide call (*zenbu shutoku joukou*) or other methods. The price of the Squeeze-Out is expected to be equal to the purchase price of the Second TOB, and the Company has been advised by the Bidder that the Squeeze-Out is planned to be implemented promptly after the successful completion of the Second TOB. Even if the actual issuance of class shares and acquisition of class shares pursuant to a class-wide call (*zenbu shutoku joukou*) are conducted on a later date, the base date shall be a date close to the period of the Second TOB. It is likely that such class shares will be issued to the shareholders as of such base date. Therefore, the specific conditions will be, in substance, presented to shareholders as of a date close to the Second TOB period. Based on the above, applying the standards for the Second TOB to the price determination of the Squeeze-Out would not be particularly unreasonable.

In addition, with respect to the issuance of class shares subject to a class-wide call (*zenbu shutoku joukou*), the dissenting shareholders are entitled to demand the Company to purchase their shares pursuant to the Companies Act when amending the Articles of Incorporation, which would be required under the scheme. Furthermore, when the Company acquires the class shares subject to a class-wide call, shareholders who are not satisfied with the economic terms at the time of the Squeeze-Out are entitled to demand that the court determines the price for the class shares. Shareholders dissatisfied with the purchase price for the Second TOB or economic terms at the time of the Squeeze-Out scheduled thereafter are entitled to utilize these statutory procedures to request a decision of the court. Since the Bidder seeks to conduct the Transaction through a scheme which allows the minority

shareholders to utilize these procedures, the Company considers that the Transaction has a structure through which the Bidder is trying to pay appropriate attention to the interests of minority shareholders.

As described above, in accordance with the proposal of the Bidder, the Company established the Special Committee and, based on the Valuation Report and the Fairness Opinion obtained from BC, the legal advice received from Anderson Mori & Tomotsune and other relevant materials, such Special Committee specifically examined issues concerning: how to appropriately account for the interests of minority shareholders of the Company; how to exclude arbitrary actions from the decision-making process; how to ensure fairness in the terms and conditions of the First TOB and the Second TOB (especially how to ensure fairness in the purchase price); and how to establish an objective basis through which fairness of conditions for the Squeeze-Out is ensured. As a result, the Special Committee of the Company concluded that the Transaction pays sufficient attention to the interests of minority shareholders through fair procedures.

As a result, on December 28, 2011, the Special Committee unanimously came to a decision regarding the answer statement to the effect that (a) the Company should support the Transaction (including the First TOB and the Second TOB) since the Transaction as a whole is considered to increase the enterprise value of the Company; (b) the board of directors of the Company should refrain from expressing an opinion on the purchase price of the First TOB, because the Special Committee was advised by the Bidder that the Second TOB is planned to be initiated promptly after the First TOB with a higher purchase price (JPY 33 per common share) than that of the First TOB; and (c) the Second TOB is also considered to increase the enterprise value of the Company (if the Second TOB is implemented), and the offer price of the Second TOB, which is with a certain premium to the average share price for a given recent period, is considered appropriate. Therefore, it is desirable, in light of the situation at the time of submission of the answer statement, that the board of directors of the Company supports the Transaction, including the Second TOB, and if the Second TOB is launched, the board recommends its shareholders tender for the Second TOB. The Special Committee also unanimously concluded that, (d) taking into account the Preferred Share Transaction, the Transaction comprised of the First TOB, the Second TOB and the Squeeze-Out to be implemented after the Second TOB, in the entirety, the Transaction as a whole is not unfavorable to minority shareholders. The Special Committee submitted the answer statement to the board of directors of the Company on December 28, 2011. Additionally, the board of directors of the Company examined the answer statement and circumstances from the commencement of the First TOB to the present, including the revision to financial results forecasts and the new projects in China and in India etc. as announced today, and concluded that the range of revision to financial results forecasts is limited and the mid- and long-term business plan upon which the Valuation Report was based had already considered the mid- and long-term financial impact of business expansion etc. in Asia. Therefore, the board of directors of the Company believes that, even after taking into account the new announcements, there are no changes in the assumed facts which may affect the details of the Valuation Report or the answer statement of the Special Committee

and the Valuation Report and such answer statement remain effective.

(iii) Advice from the Company's Legal Counsel

In order to ensure the transparency and reasonableness of its decision-making process, the Company has appointed Anderson Mori & Tomotsune, a legal advisor independent from RHJI, the Bidder and the Company, as its legal advisor, and has received from it legal advice on the decision-making process, manner of decision-making, operation of the Special Committee and other matters in the Transaction including the Second TOB.

(iv) Approval by the Company's Directors Who Have No Interest in the Transaction

As a result of its careful review of the terms and conditions of the Transaction and the Preferred Share Transaction including the First TOB and the Second TOB based on the Valuation Report and the Fairness Opinion obtained from BC, the legal advice received from Anderson Mori & Tomotsune, the answer statement given by the Special Committee and other relevant materials, the Company concluded that the Transaction is beneficial for it increases the Company's enterprise value, and the terms and conditions of the Transaction are appropriate. At its meeting held on December 28, 2011, the board of directors of the Company unanimously resolved with the participating directors (out of 10 directors, 3 directors were present) that it would express its opinion to support the First TOB. However, we were advised by the Bidder that, if the First TOB is successfully completed, the Bidder is planning to initiate the Second TOB promptly after completion of the settlement of the First TOB, with a purchase price of JPY 33 per common share which is higher than the price in the First TOB. Thus we believed that it is desirable that we refrain from expressing our opinion on the appropriateness of the purchase price of the First TOB, and leave it to our shareholders to decide whether or not to tender in the First TOB. In addition, we resolved that as of the same date, we should support the Second TOB if it is implemented, and recommend to the shareholders to tender therein, and that it is also reasonable to conduct the Squeeze-Out pursuant to the request of the Bidder.

Out of the directors of the Company, Messrs. Hideki Kurashige, Anthony A. Barone, Rüdiger Schmid-Kühnhöfer and Suminori Arima were concurrently serving as officers or employees of RHJI (which was the controlling shareholder of the Company and executed the agreement to tender in connection with the First TOB) or its affiliates, and did not participate in the deliberations and resolutions regarding the Transaction and the Preferred Share Transaction at the meetings of the board of directors, and did not, on the Company's side, participate in the discussions or negotiations with the Bidder over the terms and conditions of the Transaction and the Preferred Share Transaction, in order to avoid conflicts of interest.

Messrs. Shoichiro Irimajiri, Hirohisa Yamada and Masataka Matsumura are concurrently serving as executive officers of the Company. A part of the remuneration of executive officers of the Company is linked to the implementation of the organizational restructuring, including acquisition of the Company. Although conflicts of interest do not necessarily arise, to ensure fairness at the meeting of the

board of directors, they did not participate in the deliberations and resolutions regarding the Transaction and the Preferred Share Transaction and did not, on the Company's side, participate in the discussions and negotiations with the Bidder over the terms and conditions of the Transaction and the Preferred Share Transaction.

As a result, those who attended the board meeting and resolution were Messrs. Koshio, Krubasik and Amato. They turned out to be the same as the members of the Special Committee. However, we believe that this would not affect the fairness of the discussions and resolutions of the board, because, while the topic of discussions of the Special Committee is concerned with fairness to minority shareholders, the board discusses whether or not to support the Transaction from a broader management perspective. Thus, the topic and purpose of each meeting is different from each other. In addition, the Company elected all the directors who seemed to have no special interest in either the Transaction or the Preferred Share Transaction to the Special Committee. Therefore we trust that it does not pose a problem for the Special Committee members to discuss and resolve matters in the board meeting as directors.

Furthermore, upon the commencement of the Second TOB, the Company believes that, as stated above, after taking into account the circumstances from the commencement of the First TOB to the present, including the revision to financial results forecasts and new projects in China and in India etc. as announced today, there are no particular matters which will cause a change to the Company's decision made at the commencement of the First TOB. Therefore, the board of the Company (participating directors: three (3) out of six (6)) unanimously resolved at the board meeting held on February 10, 2012 that the Company confirms the abovementioned decision and expresses its support for the Second TOB and recommends its shareholders to tender therein. Similarly to the resolution of the board of directors meeting concerning the expression of opinion for the First TOB, Messrs. Shoichiro Irimajiri, Hirohisa Yamada and Masataka Matsumura Messrs. are concurrently serving as executive officers of the Company. Part of the remuneration of the executive officers of the Company is linked to the implementation of the organizational restructuring, including the acquisition of the Company. Although conflicts of interest do not necessarily arise, to ensure fairness at the meeting of the board of directors, they also did not participate in the resolution regarding the expression of opinion for the Second TOB. For your information, Messrs. Hideki Kurashige, Anthony A. Barone, Rüdiger Schmid-Kühnhöfer and Suminori Arima have resigned as directors of the Company as of February 10, 2012, which is the settlement date of the First TOB, prior to the abovementioned meeting of the board of directors.

(v) Tender Offer Period Consisting of Thirty (30) Business Days

While the minimum tender offer period under the law is twenty (20) business days, the Bidder has set the Second TOB Period at thirty (30) business days. According to the Bidder, by making the tender offer period longer, it intends to provide the shareholders of the Company with an opportunity to duly determine whether or not to tender in the Second TOB, and also secure an opportunity for any bidders other than the Bidder to initiate competing bids. Thus, the Bidder intends to secure the appropriateness of the

purchase price of the Second TOB. The Bidder and the Company have not entered into any agreement which includes a transaction protection clause that prohibits the Company from contacting any competing bidder other than the Bidder or from changing its opinion concerning the tender offer bid if any such competing bidder other than the Bidder arises.

3. Matters Concerning the Material Agreement between the Bidder, etc. and the Company's Shareholders on Tendering in the Second TOB

The preferred shares of the Company acquired by ATCH1 are shares with a put option, whereby the Company will deliver its common shares to ATCH1 upon exercise of such put option by ATCH1. ATCH1 has agreed with the Bidder that it will not exercise its put option until the end of the Second TOB, and that no offer to purchase or solicitation to sell the relevant preferred shares of the Company will be made in the Second TOB. Although there are no other particular agreements concerning the tender in the Second TOB between the Bidder, etc. and the Company's shareholders, the outline of the acquisition of the preferred shares before the First TOB and the agreement to tender for the First TOB is as follows. For further details, please refer to the press release titled "Announcement Concerning Expression of Opinion in Favor of Tender Offer Bid by ATC HOLDINGS II Co., Ltd. for the Shares of Asahi Tec Corporation" issued by the Company on December 28, 2011.

(1) Acquisition of Class A Preferred Shares and Class B Preferred Shares

According to the Bidder, ATCH1, a corporation of which all the issued and outstanding shares are owned by the Funds, acquired as of January 4, 2012, 7,429,000 Class A preferred shares from RHJI for a total of JPY 1,976,114,000 (this amounts to JPY 19.0 per common share (rounded to one decimal place)). The price of JPY 19.0 per share is obtained by dividing JPY 1,976,114,000 by 104,006,000 (the "Number of Common Shares After Conversion of Class A Preferred Shares"), which is the number of the Company's common shares that would have been delivered in exchange for the Class A preferred shares if RHJI exercised its put option with respect to its Class A preferred shares as of December 27, 2011 (which is the date immediately preceding the date of agreement of the relevant transfer)).

ATCH1 also acquired as of January 4, 2012, 10,526,316 Class B preferred shares from RHJI for a total of JPY 431,664,086 (this amounts to JPY 10.5 per common share (rounded to one decimal place)). The price of JPY 10.5 per share is obtained by (i) firstly deducting the unpaid cumulative preferred dividend for Class B preferred shares until ATCH1 acquires the Class B preferred shares from RHJI (JPY 7.12 per share per year and JPY 592,762,737 in total (for the total amount, fractions less than one yen have been omitted)) from JPY 431,664,086, and (ii) secondly, dividing the remaining amount by 15,306,122 (the "Number of Common Shares After Conversion of Class B Preferred Shares," and collectively with the Number of Common Shares After Conversion of Class A Preferred Shares, the "Number of Common Shares After Conversion of Preferred Shares"), which is the number of the Company's common shares that would have been delivered in exchange for the Class B preferred shares if RHJI exercised its put option as

of December 27, 2011 (which is the date immediately preceding the date of agreement of the relevant transfer).

In addition, as of January 4, 2012, ATCH1 acquired from Tokio Marine Nichido all Class A preferred shares held by Tokio Marine Nichido (3,712,000 shares) for a total of JPY 1,165,568,000 (which amounts to JPY 22.4 per common share (rounded to one decimal place), obtained by dividing such price by the Number of Common Shares After Conversion of Class A Preferred Shares of the Class A preferred shares held by Tokio Marine Nichido as of December 27, 2011 (51,968,000 shares)). Through these acquisitions, all shares of the Company's preferred shares issued and outstanding as of the date hereof are owned by ATCH1.

Additionally, ATCH1 and RHJI have agreed that if the amount of future damages, losses, and costs borne by the Company resulting from the litigation (see Note below) filed by the Pension Benefit Guarantee Corporation (in the United States) against the Company (the "PBGC Litigation Costs") announced in the Company's November 22, 2010 press release titled "Lawsuit filed by PBGC against the Company" does not exceed a certain amount (the "Criterion Amount of Anticipated Litigation Costs") within 20 business days from the settlement of the Litigation, ATCH1 will make an additional payment to RHJI as compensation for each preferred share in the amount obtained by multiplying the difference between the Criterion Amount of Anticipated Litigation Costs and the PBGC Litigation Costs by 0.5 (up to JPY 1 billion), according to the ratio of the transfer price of each preferred share to the total amount of the transfer price of the preferred share (JPY 2,568,876,737). As a result, (i) the maximum transfer price of the Class A preferred shares is JPY 2,475,366,168 and the maximum number obtained by dividing such transfer price by the Number of Common Shares After Conversion of Class A Preferred Shares is JPY 26.4 (rounded to one decimal place), and (ii) the maximum transfer price of the Class B preferred shares is JPY 823,510,569 and the maximum number obtained by dividing such transfer price (minus the unpaid cumulative preferred dividend of the Class B preferred shares) by the Number of Common Shares After Conversion of Class B Preferred Shares is JPY 25.6 (rounded to one decimal place). Accordingly, the transfer price of the preferred shares acquired by ATCH1 from RHJI is, in any case, lower than the offer price of the Second TOB (JPY 33 per common share) if it is converted into a price per common share based on the Number of Common Shares After Conversion of Preferred Shares as of December 27, 2011.

On the other hand, ATCH1 and RHJI have agreed that, if the PBGC Litigation Costs exceed the Criterion Amount of Anticipated Litigation Costs, RHJI will indemnify ATCH1 for the amount obtained by multiplying by a certain rate the difference between the PBCG Litigation Costs and the Criterion Amount of Anticipated Litigation Costs, up to a maximum of a certain amount, within 20 business days after the receipt of documents that provide reasonable verification of the PBCG Litigation Costs paid by the Company.

(Note) As described in the press release titled "Lawsuit filed by PBGC against the Company" issued by the Company on November 22, 2010, the PBGC has filed a lawsuit against the Company in the Federal Court in the U.S. with respect to the pension plan of Metaldyne Corporation ("Metaldyne"), which was the Company's U.S. subsidiary. According to the complaint, PBGC, as statutory trustee of the

pension plan termination insurance program of Metaldyne, alleges that the pension plan of Metaldyne had unfunded benefits and other pension-related liabilities, and that due to the cancellation of Metaldyne's pension plan, the Company as a member of Metaldyne's "controlled group," is responsible for such liabilities under the Employee Retirement Income Security Act .

(2) Agreement between the Bidder and RHJI on Tendering in the First TOB

According to the Bidder, on December 28, 2011, the Bidder and RHJI entered into an agreement to tender under which RHJI shall tender all of its common shares in the Company (432,553,078 shares) in the First TOB. Pursuant to the relevant agreement, RHJI tendered all of its common shares in the Company in the First TOB, and the Bidder acquired the same.

(3) The Agreement on Tendering Shares in the First TOB between the Bidder and Tokio Marine Nichido

According to the Bidder, on December 28, 2011, the Bidder and Tokio Marine Nichido entered into an agreement to tender under which Tokio Marine Nichido shall tender all of its common shares in the Company (7,602,055 shares) in the First TOB. Pursuant to the relevant agreement, Tokio Marine Nichido tendered all of its common shares in the Company in the First TOB, and the Bidder acquired the same.

4. Details of the Profits Offered by the Bidder or their Specially Related Persons

Not applicable.

5. Policies for Dealing with Fundamental Principles Regarding Control of the Company

Not applicable.

6. Questions to the Bidder

Not applicable.

7. Requests for Extension of the Tender Offer Bid Period

Not applicable.

8. Future Prospects

With regard to the future prospects, please refer to "2. (2) (ii) Purpose and Background of the Transaction including the Second TOB and Management Policy After the Second TOB," "2. (2) (iii) Management Policy After the Transaction including the Second TOB," "2. (3) Possibility of and Reasons for Delisting," and "2. (4) Policies for Organizational Restructuring After the Second TOB (matters concerning the so-called "two-step acquisition")".

9. Matters Concerning Transactions with the Controlling Shareholder

(1) Status of Compliance with the Policies for Protecting Minority Shareholders When Performing Transactions with the Controlling Shareholder

The Second TOB and Squeeze-Out fall under transactions with the controlling shareholder. The status of compliance with the "Guidelines on Policies for Protecting Minority Shareholders when Performing Transactions with the Controlling Shareholder," which was shown in the Corporate Governance Report revised by the Company on February 10, 2012, is as follows:

When reviewing the Transaction, the Company (i) obtained the Valuation Report and the Fairness Opinion from the independent third-party valuation institution; (ii) established the Special Committee, comprised of directors who have no interest in the Transaction, to review the Transaction; (iii) obtained advice from an independent legal counsel; and (iv) decided that its directors who have no interest in the Transaction would express the Company's final opinion, as described in "2. (5) Measures to Ensure Fairness of the Transaction, such as Measures to Ensure Fairness of the Purchase Price and Measures to Avoid Conflicts of Interest." The Company accordingly seeks to protect its minority shareholders in the Transaction through a structure stricter than that under the Guidelines.

The "Guidelines on Policies for Protecting Minority Shareholders When Performing Transactions with the Controlling Shareholder," which was shown in the Corporate Governance Report revised on February 10, 2012, are as follows:

"ATC HOLDINGS II Co., Ltd. ("ATCH2"), the controlling shareholder of the Company, is a company, all shares of which are held by certain investment funds belonging to Unison Capital Group, and is established mainly to acquire and hold the shares of the Company and to control and manage the Company's business.

Although ATCH2 is the controlling shareholder of the Company, no person designated by ATCH2 has assumed the office of a director of the Company at this time. The important management matters of the Company are discussed and resolved by the board of directors of the Company in accordance with the Board of Directors Regulations, and corporate affairs are managed at the Company's cost. Thus, the Company considers that its independence in business management is ensured.

The Company has entered into the inter-company loan transaction whereby ATCH2 raises funds from financial institutions and the Company borrows such funds via ATCH2, and such inter-company loan is to procure the funds necessary for the Company's development with the support of ATCH2.

With respect to any transactions with the controlling shareholder, including the foregoing transaction, the Company shall make the terms and conditions of the transactions basically similar to other common transactions and discuss the appropriateness of the contents and conditions (regardless of the size of the transaction) of such transactions in the meetings of the board of directors. The Company shall handle such Transactions properly through

board resolutions so that minority shareholders will not be harmed."

(2) Matters Concerning Measures to Ensure Fairness and Measures to Avoid Conflicts of Interest

Please see "2. (5) Measures to Ensure Fairness of the Transaction, such as Measures to Ensure Fairness of the Purchase Price and Measures to Avoid Conflicts of Interest" above.

(3) Summary of the Opinion Obtained from a Person Who Has No Interest in the Controlling Shareholder to the effect that Transactions will not Undermine the Interests of Minority Shareholders

As stated in "2. (5) Measures to Ensure Fairness of the Transaction, such as Measures to Ensure Fairness of the Purchase Price and Measures to Avoid Conflicts of Interest" and "2. (5)(ii) Review by the Company's Special Committee" above, the Special Committee, comprised of directors who have no particular interest with the controlling shareholder at the time (RHJI), the Bidder which became the new controlling shareholder as a result of the First TOB, or in the Transaction and the Preferred Share Transaction, unanimously came to a decision on the answer statement to the effect that taking into account the Preferred Share Transaction and the entire Transaction comprised of the First TOB, the Second TOB and the Squeeze-Out to be implemented after the Second TOB, the Transaction as a whole is not considered to be unfavorable to minority shareholders. The Special Committee submitted the relevant answer statement to the board of directors of the Company on December 28, 2011. As stated above, the board of directors of the Company believes that there are no changes in the assumed facts which may affect the details of the answer statement following the submission of such answer statement, and that such answer statement remains effective.

END

○ (Reference) Outline of Acquisition (Exhibit 1)

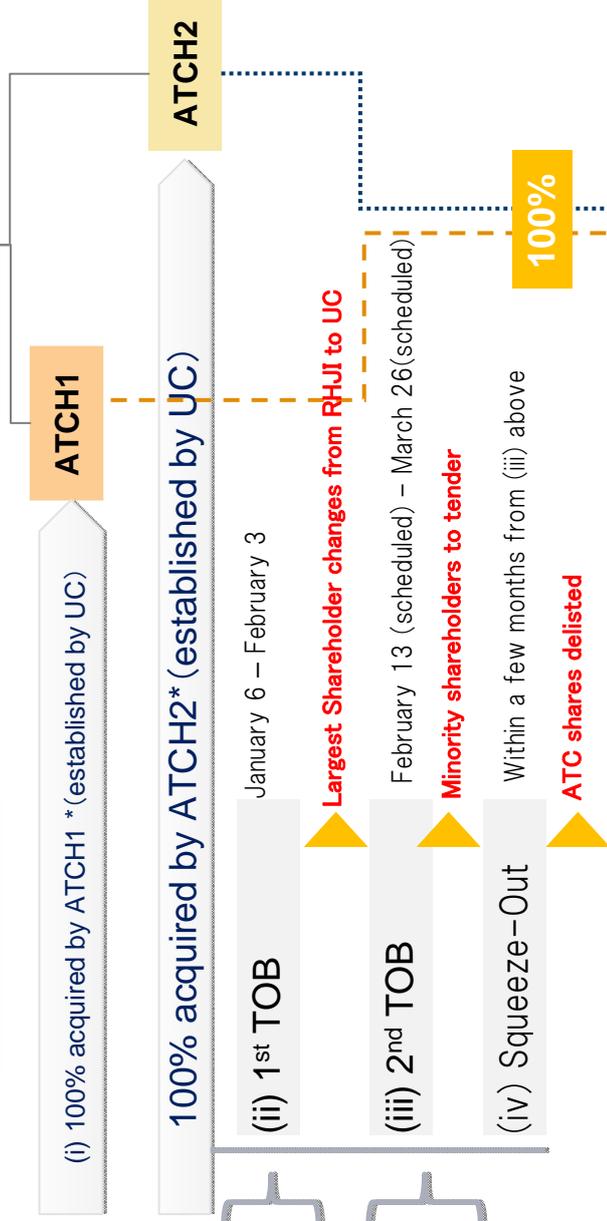
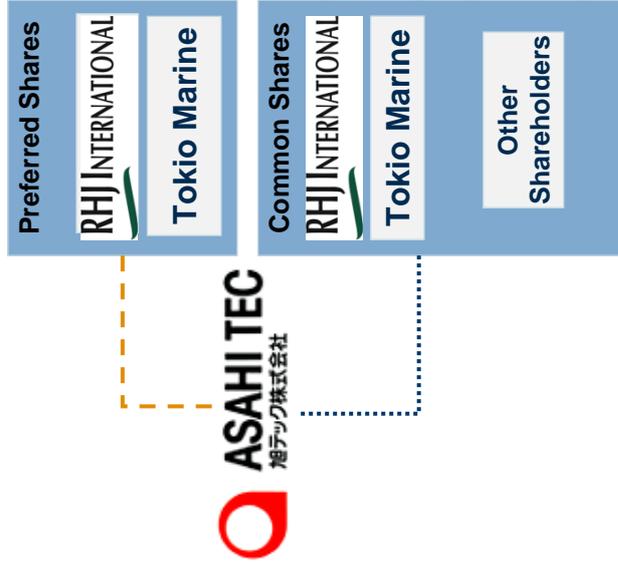
Outline of the Transaction



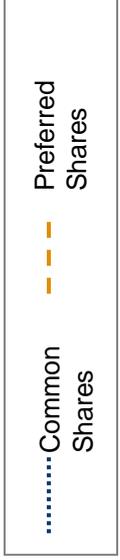
(i) Acquisition of Preferred Shares, (ii) Tender Offer to acquire the common shares (1st TOB), (iii) Tender Offer to acquire the common shares (2nd TOB), (iv) Making ATC its wholly-owned subsidiary, Delisting of ATC, by Unison Capital Group

Contemplated Transaction
(i) and (ii) completed

Current Status



Refinancing of existing loans has been implemented at the time of the completion of 1st TOB



* ATC Holdings I Kabushiki Kaisha established by UC(ATCH1), ATC Holdings II Kabushiki Kaisha (ATCH2). Shareholders of each are the same.

(Note) Above description is based on information provided by the bidder. Among (i) through (iv) above, (iv) is to be conducted by Asahi Tec upon request of the bidder.