

## [Notice] Transfer of Shares in Consolidated Subsidiary

Board of Directors of Asahi Tec Corporation (ATC) has decided that all the shares in ATA Casting Technology Japan, Co., Ltd. (ACJ), a wholly-owned subsidiary of ATC, will be transferred to Daido Metal Co., Ltd..

### 1. Background

ACJ and ATA Casting Technology Co., Ltd. (ACT), a wholly-owned subsidiary of ACJ, has played an important role in ATC group as manufacturing companies of aluminum high-pressure die-cast parts mainly for automotive industries. In order for ACJ and ACT to promote their businesses in the rapidly-growing automotive industries, it is essential to widen their business areas from Thailand and other ASEAN countries, to the world, which is a challenge for ACJ and ACT. As a result of the share transfer, ACJ and ACT will have an access to the business infrastructure of Daido Metal Group, which has strong market presence in a wide variety of bearings for automobiles, marine engines, construction machinery and general industrial use. This should drive business growth of ACJ and ACT in the future.

In terms of an aluminum wheel-rim business, another main business of ATC, which has been focusing on Asian market including Japan, now has just started to gear up for global business deployment including North America and Europe. The share transfer allows ATC to concentrate managerial resources on the aluminum wheel-rim business, which lead to the accelerated growth of this business. ATC continues to be a manufacturer of aluminum wheel-rim and special die-cast parts.

As mentioned above, ATC has decided the share transfer to Daido Metal, believing that should spur the business growth of ACJ, ACT and ATC.

### 2. Schedule

The transfer of shares in ACJ and ACT will be transferred to Daido Metal Co., Ltd. in January 2017.

### 3. Impact on Business Result of ATC

The transfer of shares has no impact on ATC's business result for the fiscal year 2016.

Hiroaki Tanji,

CEO and President

Asahi Tec Corporation

[Contact] Kenichi Ando, General Manager, HR

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## Brief overview of Daido Metal Co., Ltd.

Company	Daido Metal Co., Ltd. Registered Office at Naka-ku, Nagoya, Aichi, Japan Listed on Tokyo Stock Exchange and Nagoya Stock Exchange (both First Section)
Business	Manufacture and sales of a wide variety of bearings for automobiles, marine engines, construction machinery and general industrial use
Consolidated Turn Over	81.4 billion JPY (Fiscal Year ending March 2016)
Head Count	4,637 (worldwide, as of end of March, 2016)