



(Translation)

July 5, 2011

Company: Asahi Tec Corporation  
Representative: Shoichiro Irimajiri  
President and Representative  
Executive Officer  
(Code: 5606, First Section of TSE)  
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Controller  
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Announcement regarding conversion of large number  
of Class A Preferred Stock (with adjustment clause of conversion price)

Please be informed that as we have received a conversion request as of yesterday of a large number of our Class A Preferred Stock into common stock (exercise of a right by a holder of Class A Preferred Stock to request us to acquire the same in exchange of our common stock), we disclose the current status of conversion as described below.

For your information, Class A Preferred Stock, the initial issue price of which was JPY 70 per share, is given liquidation preference of JPY 77 per share, and (cumulative) preferred dividend of JPY1.75 per share per annum. Such liquidation preference and preferred dividend (including accumulated amount) shall expire upon conversion into common stock. While the amount of asset per common stock would adversely be affected by dilution due to the increased issued and outstanding common stock, the said expiration of liquidation preference and preferred dividend would contribute to improve the amount of asset per common stock.

Status of conversion of Class A Preferred Stock into common stock (as of June 30, 2011)

1. Converted stock: Class A Preferred Stock issued by Asahi Tec Corporation  
(Issued on July 3, 2003)
2. Status of converted Class A Pref Stock

|   |                    |
|---|--------------------|
| Cumulative number of converted Class A Pref Stock<br>during June 2011:                        | 11,429,000 shares  |
| Cumulative number of converted Class A Pref Stock<br>during May 2011:                         | 731,000 shares     |
| (Aggregate cumulative number of Class A Pref Stock<br>converted since the initial conversion: | 12,160,000 shares) |

3. Status of shares issued
  - Cumulative number of common stock issued upon the conversion during June 2011: 114,290,000 shares
  - Cumulative number of common stock issued upon the conversion during May 2011: 5,685,555 shares
  - (Aggregate cumulative number of common stock issued upon conversion of Class A Pref Stock since the initial conversion: 119,975,555 shares)
4. Number of total issued and existing common stock after such issuance: 606,717,074 shares
5. Number of outstanding Class A Pref Stock after such conversion: 16,412,000 shares
6. Conversion status during June 2011

| Date of conversion | Number of shares delivered |                           | Conversion price (Yen) | Number of converted shares |
|--------------------|----------------------------|---------------------------|------------------------|----------------------------|
|                    | New shares issued          | Treasury shares delivered |                        |                            |
| June 30 (Thursday) | 114,290,000                | 0                         | 7                      | 11,429,000                 |

(Note: We have already cancelled pursuant to a resolution of our Board of Directors all Class A Preferred Stock that we have acquired upon conversion request, and will cancel any Class A Preferred Stock immediately upon our acquisition thereof in the future.)

(Note: During May 2011, the conversion right was exercised on May 27, 2011.)

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