

(Translation)

November 12, 2010

Name of company: Asahi Tec Corporation (the “Company”)
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Notice of Difference from Business Result Forecast and Recognition of Extraordinary losses

Asahi Tec Corporation hereby announces that the Actual 1st half Business Result which is just released today has a difference from 1st half Business Result Forecast of fiscal year ended March 31, 2011 released on August 6th. In addition, we also revise Full Year Business Result Forecast of fiscal year ended March 31, 2011 according to the recent business performance, as well as Recognition of Extraordinary Losses scheduled to be booked on 3rd quarter and 4th quarter of fiscal year ended March 31, 2011.

1. Difference from the forecast of operating results for the 1st half quarter of fiscal year ended March 31, 2011
(April 1, 2010 – September 30, 2011)

(1) Consolidated

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Previous Forecast (A)	Million Yen 37,900	Million Yen 1,300	Million Yen 800	Million Yen 200	Yen 0.09
Actual (B)	38,071	1,403	1,016	488	0.69
Increase (B - A)	171	103	216	288	
Increase ratio (%)	0.5	7.9	27.0	144.0	
Previous Year Actual (Reference)	23,483	2,173	2,459	2,578	6.23

(2) Unconsolidated

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Previous Forecast (A)	Million Yen 16,100	Million Yen 800	Million Yen 600	Million Yen 300	Yen 0.26
Actual (B)	16,242	1,030	852	768	1.16
Increase (B - A)	142	230	252	468	
Increase ratio (%)	0.9	28.8	42.0	156.0	
Previous Year Actual (Reference)	11,205	227	477	576	1.65

2. Revision on the forecast of operating results for fiscal year ended March 31, 2011

(April 1, 2010 – March 31, 2011)

(1) Consolidated

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Previous Forecast (A)	Million Yen 67,200	Million Yen 2,000	Million Yen 1,600	Million Yen 550	Yen 0.48
Actual (B)	74,000	2,350	1,650	50	0.16
Increase (B - A)	6,800	350	50	500	
Increase ratio (%)	10.1	17.5	3.1	90.9	
Previous Year Actual (Reference)	58,241	121	392	421	1.63

(2) Unconsolidated

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Previous Forecast (A)	Million Yen 29,000	Million Yen 700	Million Yen 150	Million Yen 400	Yen 1.60
Actual (B)	32,000	1,300	950	300	0.37
Increase (B - A)	3,000	600	800	700	
Increase ratio (%)	10.3	85.7	533.3	-	
Previous Year Actual (Reference)	26,014	1,034	499	179	0.25

3. Reasons of Difference

(1) 1st Half of fiscal year ended March 31, 2011.

Operating income and ordinary income are improved from the previously announced forecasts, due to increased demand for systems and equipments, revision of sales price and the reduction of raw material cost. Consolidated net income for the 2nd quarter improved from the previously announced forecasts, due to the extinction of corporate tax payable for the subsidiary which is scheduled to secede from the consolidated tax group, in addition to the improvement of ordinary income.

Unconsolidated net income for the 2nd quarter improved from the previously announced forecasts, due to the increment of corporate tax receivable from the subsidiary in the consolidated tax group whose business is in a good position.

(2) Reason for revision and the recognition of extraordinary loss

While 1st half business forecast was revised on August 6th, 2010, the revision of full-year forecast for both consolidated and unconsolidated basis has been postponed due to uncertainties reside in 3rd quarter and later. We have reviewed full-year forecast and thus revised the full-year forecast accordingly.

As announced on October 19th, 2010, the Company is scheduled to divest 100% shares of the Asahi Tec Environmental Solutions Corporation, 100% subsidiary of the Company. Due to the divestiture of the

subsidiary, their business will be excluded from consolidated financial statements of the Company and thus consolidated sales and income amount will be reduced. Relatively strong demand for export trucks and parts for construction vehicles is expected to continue and the demand for automobile related products in Thailand is to exceed the original plan however, consolidated sales and operating income, and unconsolidated ordinary income is expected to exceed the plan originally forecasted.

Consolidated net income for FY2010 will be lower than original forecast due to extraordinary loss which pertains to the loss from the divesture of subsidiary 366m yen, and the cost of refinance.

Despite of the negative effect of the extraordinary losses noted above, unconsolidated net income is expected to exceed the original forecast due to the increment of ordinary income.

While cash flow of 2B yen from the divesture of the subsidiary is applied for the repayment of debt, internal reserves arising from the reduction of interest on debt along with putting the most of management resources together on general casting and forging business, shall be utilized for our business expansion in developing countries.

All forecasts were made based on the available data to the Company as of the filing date of this notice. Therefore, other factors may cause the Company's actual results.

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