

(Translation)

May 2, 2012

Company Name: Asahi Tec Corporation  
Representative: Shoichiro Irimajiri,  
President and Executive Officer  
(Code: 5606, First Section of the Tokyo  
Stock Exchange)  
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**Announcement Concerning Posting of Extraordinary Losses Due to Breach of Representations and Warranties Given in Connection with Sale of Our Consolidated Subsidiary**

Asahi Tec Corporation (the "Company") hereby announces that it will post extraordinary losses for the final quarter of FY2011 as follows:

1. Details of Extraordinary Losses

As disclosed in the press release entitled "Announcement Concerning Possibility of Extraordinary Losses Due to Breach of Representations and Warranties Given in Connection with Sale of Our Consolidated Subsidiary" dated December 19, 2011, the Company has received a request for indemnification for an amount of JPY 457,521,612 in total from Aquaintec Corporation (merged with NMC Fund 15 Corporation, which was the transferee of shares of Asahi Tec Environmental Solutions Corporation ("ATES"; currently named Aquaintec Corporation)) alleging that the Company breached certain representations and warranties under the relevant share purchase agreement with respect to transfer of shares held by the Company in ATES.

The Company has recently reached an agreement with Aquaintec Corporation to the effect that the Company will pay an amount of JPY 186,730,890 in the settlement in connection with said request.

The Company has also confirmed that with the reaching of said agreement, there are no claims or debts between the Company and Aquaintec in connection with said request other than the payment of said settlement money.

Accordingly, the Company will post extraordinary losses of the said settlement amount for the consolidated and unconsolidated results for the final quarter of FY2011.

## 2. Effect on Operating Results

The Company is currently analyzing the effect on the Company's operating results, if any, including certain other factors, and will endeavor to promptly notify any revision in operating results forecast if we deem it necessary.

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