

May 14, 2007

Taiyo Chemical is Wholly Owned by Asahi Pretec

According to the share exchange agreement with Taiyo Chemical Ltd. Co., (“Taiyo”), Kagoshima, concluded in April 2, 2007, Asahi Pretec Corporation (“the Company”) has completed the share exchange that Taiyo becomes a wholly owned subsidiary of the Company as of May 14, 2007. There are not any objections and proposals for appraisal remedy from shareholders.

The share exchange is based on the terms of the Company Law, and is in a form of a simplified-form share exchange for the Company that doesn't need to obtain the approval of the shareholders' meeting according to the provision of the Company Law.