

September 18, 2007

To whom it may concern:

Company name: ASAHI PRETEC CORP.

Representative: Mitsuharu Terayama,
CEO and COO

(Code No.: 5855, the first section of the Tokyo Stock Exchange)

Inquiries: Toshio Kimura, Director
Director of Corporate Planning Division
(TEL: 03-6270-1820)

Partial Transfer of Business from SANIX INCORPORATED

ASAHI PRETEC CORP. resolved at a board of directors' meeting held on September 18, 2007, to acquire a part of the environmental resources development division from SANIX INCORPORATED as of November 1, 2007 as follows.

1. Reason for transfer

SANIX INCORPORATED built Kitakyushu Plant in Moji-ku, Kitakyushu-shi, in April 1994 for industrial waste treatment and initiated intermediate treatment (incineration, heating, crushing, neutralization, dehydration, etc. conducted in an incineration plant) business for industrial waste, including specially controlled industrial waste. SANIX INCORPORATED built a waste plastic treatment plant on the premises of Kitakyushu Plant in 2000. The plant obtained ISO14001 certification in 1998.

Kitakyushu Plant is equipped with a rotary kiln/stoker furnace with a 186-ton/day incineration capacity, a hazardous waste liquid treatment system for pre-incineration treatment, and a waste plastic crusher with a capacity of 150 ton/day. Major clients are located throughout western Japan, chiefly in the Kyushu area and have posted stable business results. ASAHI PRETEC CORP. has offices in Fukuoka and Kagoshima prefectures in the Kyushu area to engage in environmental business. ASAHI PRETEC decided to acquire the business from SANIX INCORPORATED in order to further improve the one-stop solution system offered to clients in the western Japan area in cooperation with its Kobe Plant.

2. Outline of transfer

(1) Department to be transferred

Kyushu Branch Office, Incineration treatment plant, Waste plastic treatment plant, and incidental business which belongs to the environmental resources development division of SANIX INCORPORATED

Office/facilities	Location
Sales Department Kyushu branch office	3-81-5, Shinmoji, Moji-ku, Kitakyushu-shi, Fukuoka
Kitakyushu Incineration treatment plant	Same as above
Kitakyushu Waste plastic treatment plant	Same as above

(2) Business results of the environmental resources development division of SANIX INCORPORATED

(Unit: million yen)

	Year ended on March 31, 2005	Year ended on March 31, 2006	Year ended on March 31, 2007
Net sales	10,309	10,198	9,612
Operating income	-2,427	-1,601	-913

* Business results of the department to be transferred (out of above)

(Unit: million yen)

	Year ended on March 31, 2005	Year ended on March 31, 2006	Year ended on March 31, 2007
Net sales	1,572	1,286	1,589

(3) Amount of assets and liabilities to be transferred (as of June 30, 2007)

(Unit: million yen)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	11	Current liability	1
Fixed assets	2,339		
Total	2,351		

(4) Acquisition price and settlement

(1) Acquisition price: To be determined based on the appraisal value of assets and liabilities to be transferred as of the date of transfer

(2) Settlement: To be settled in cash

All funds to be self-financed

3. Outline of SANIX INCORPORATED

(1) Business name: SANIX INCORPORATED

(2) Major business: HS business (Termite control work for residences, etc.)

ES business (Installation of corrosion preventive equipment for enterprises, etc.)

Environmental resources development business (Industrial waste intermediate treatment, etc.)

(3) Incorporated: September 1978 (Showa 53)

(4) Head office: 2-1-23, Hakata-eki Higashi, Hakata-ku, Fukuoka

(5) Representative: President and CEO, Shin-ichi Munemasa

(6) Capital: 14,041.83 million yen (as of March 31, 2007)

(7) Number of employees: 1,822 (as of March 31, 2007)

(8) Major shareholders and shareholding ratio: Bion Co., Ltd. 17.69%

Shin-ichi Munemasa 14.77%

(9) Relationship with ASAHI PRETEC CORP.: No capital or personal relationship

4. Schedule

September 18, 2007	Board of directors' meeting
September 18, 2007	Signing of the transfer agreement (* with a suspensive condition)
November 1, 2007 (planned)	Date of business transfer

*** The suspensive condition in the business transfer agreement stipulates that the transfer is not executed until ASAHI PRETEC CORP. obtains approvals and licenses required for the business to be transferred, and agreements with neighboring residents, the major client takeover, and notification to the Japan Fair Trade Commission can be confirmed reasonably.**

5. Future prospect

The effect of this transfer on ASAHI PRETEC's (consolidated) business results of the current term will be minimal because the date of transfer is November 1, 2007 (planned).