

To whom it may concern,

Company Name: ASTI CORPORATION  
 Stock Code: 6899  
 Stock Exchange Listing: Second section of Tokyo  
 Stock Exchange and Nagoya Stock Exchange  
 Address of the Head Office: 626, Fukushima-Cho, Hamamatsu City, Shizuoka  
 Contact Person: Goichi Watanabe,  
 Director, Administration manager  
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## Announcement on the capital increase and the construction of a new plant for the subsidiary in China

We would like to announce that the Company has decided the following matters regarding the capital increase and the construction of a new plant for the subsidiary in China at a board of directors meeting held on October 8, 2004.

### 1. Outline of the subsidiary in China with the capital increase

- (1) Trade Name: Hangzhou ASTI Electronics Co., Ltd.  
 (2) Address: Economic and Technological Development Zone,  
 Hangzhou, Zhejiang, People's Republic of China  
 (3) Capital: 75 million yen  
 (4) Foundation: December, 1994

### 2. Outline of the capital increase

- (1) Time of the Capital Increase Late October, 2004  
 (2) Amount of capital increase 250 million yen  
 (3) Capital fund after the increase 325 million yen  
 (4) Purpose for funds Funds for the construction of a new plant (including building site) ,  
 relocating and the introduction of new manufacturing facilities  
 (5) Background of the capital increase

We plan to acquire a building site and construct a new plant in the Economic and Technological Development Zone, Hangzhou, Zhejiang in order to respond to the increase in the inquiries from local Japanese affiliated companies about unit products such as home appliances, electrical equipment for cars, as well as telecommunications equipment utilizing the electronic circuit board manufacturing technology of Hangzhou ASTI Electronics Co., Ltd., and the increase in production capacity.

### 3. Forecast turnover of the company

(Unit: Million yen)

|                 | Year 2004 | Year 2005 | Year 2006 | Year 2007 |
|-----------------|-----------|-----------|-----------|-----------|
| Amount of sales | 930       | 1,500     | 1,900     | 2,000     |