

October 8, 2004

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
Telephone Number: 0538 (66) 5577

Announcement on the capital increase and the construction of a new plant for the subsidiary in Vietnam

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 Vietnam at a board of directors meeting held on October 8, 2004.

1. Outline of the subsidiary in Vietnam with the capital increase

- (1) Trade Name: ASTI Electronics Corporation
(2) Address: Binh Duong Province, Vietnam
(3) Capital: 1 million US dollars
(4) Foundation: September, 1998

2. Outline of the capital increase

- (1) Time of the capital increase: December, 2004
(2) Amount added to capital: 1 million US dollars
(3) Capital fund after the increase: 2 million US dollars
(4) Purpose for funds: Funds for the construction of a new plant
and the introduction of new manufacturing
facilities

(5) Background of the capital increase:

We plan to construct a new plant on the present company premises in order to respond to the increase in the inquiries about home appliances, electrical equipment for cars, as well as telecommunications equipment utilizing the electronic circuit board mounting technology of ASTI Electronics Corporation, the increase in production capacity of local Japanese-affiliated companies, and the increase in orders for products for Japan.

3. Forecast turnover of the company

(Unit : Million yen)

	Year 2004	Year 2005	Year 2006	Year 2007
Amount of sales	1,200	1,300	1,800	1,900