

July 20, 2007

Summary of Consolidated Financial Results for the 1st Quarter of the Fiscal Year 2007

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1. Consolidated results for the first quarter of the fiscal year ending March 31, 2008

(From April 1, 2007 to June 30, 2007)

(1) Consolidated operating results

(Rounded off to millions of yen)

	Net Sales		Operating income		Ordinary income	
	Millions of yen	(%)	Million of yen	(%)	Millions of yen	(%)
First Quarter of FY2007	26,987	(19.6)	2,642	(2.2)	2,656	(2.4)
First Quarter of FY2006	22,559	(73.4)	2,586	(135.9)	2,594	(137.3)
FY2006 (for reference)	97,623		9,577		9,573	

	Net income for the first quarter		Net income per share for the first quarter	Diluted net income per share
	Millions of yen	(%)		
First Quarter of FY2007	1,590	(1.3)	¥44.19	¥44.15
First Quarter of FY2006	1,570	(147.2)	¥65.86	¥65.75
FY2006 (for reference)	5,720		¥159.91	¥159.69

Note: 1. Regarding net sales, operating income, ordinary income and net income, the percentage figures show changes from the results for the same period of the previous fiscal year.
 2. Asahi Pretec Corporation (“the Company”) carried out a 1.5-to-1 stock split with effect on October, 1, 2006. The per share information for the 1st quarter of the fiscal year ended March 31, 2007 was calculated based on the number of shares before the stock split.

(2) Changes in the consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	
First Quarter of FY2006	45,633	33,877	74.2	¥ 935.40
First Quarter of FY2007	37,235	28,571	76.7	¥1,197.06
FY2006 (for reference)	41,746	31,994	76.6	¥ 893.27

Note: The Company carried out a 1.5-to-1 stock split with effect on October, 1, 2006. The per share information for the 1st quarter of the fiscal year ended March 31, 2007 was calculated based on the number of shares before the stock split.

2. Forecasts for the fiscal year ending March 31, 2008

	Net Sales		Operating income		Ordinary income	
	Millions of yen	(%)	Million of yen	(%)	Millions of yen	(%)
1st half	54,000	(19.8)	4,800	(7.4)	4,800	(7.3)
Full year	112,000	(14.7)	10,200	(6.5)	10,200	(6.5)

	Net income		Forecasted net income per share
	Millions of yen	(%)	
1st half	2,800	(5.5)	¥ 77.38
Full year	6,000	(4.9)	¥165.82

Note: The percentage figures for the 1st half and full-year period are the changes from the results for the previous 1st half and previous full-year period, respectively.

3. Others

- (1) Significant changes in scope of consolidation for this quarter: None
- (2) Simplified accounting methods: Applied
- (3) Changes in accounting policies: Applied

(Notice for the use of the forecasts, and other instructions)

The financial forecasts stated above are based on currently available information and may change depending on the fluctuation of the precious metal prices and other factors.

1. Background information on the consolidated financial results

With respect to the precious metal recycling business segment during the 1st quarter of the current fiscal year, i.e., April 1 through June 30, 2007, there were increases in the collected amounts of precious metals such as gold, silver, palladium and platinum compared with the results for the same period of the previous fiscal year. The average unit selling prices of gold, silver, palladium and platinum exceeded those during the same period of the previous fiscal year.

With respect to the environmental protection business segment, the disposal of photo liquid wastes and collection of silver from them decreased compared with the results for the same period of the previous fiscal year, the Company, however, handled larger quantities of chemical reagents and other waste liquids from factories and research institutions. The company made Taiyo Chemical a wholly-owned subsidiary in May 2007. Taiyo Chemical engages in the treatment of industrial effluents generated from IT, electronics and petrochemical companies and infectious medical wastes from hospitals.

As a result, the sales during the 1st quarter of the fiscal year reached ¥26,987 million, the operating income ¥2,642 million, the ordinary income ¥2,656 million and the net income ¥1,590 million.

2. Others

- (1) Adoption of simplified accounting methods

Simplified accounting methods are applied to some reporting criteria for allowances and other accounting entities.

Reported tax expenses on the individual financial statements of the consolidated companies are calculated using the effective tax rate estimated for the current fiscal year.

- (2) Changes in accounting policies from the previous consolidated fiscal reporting

As "the accounting standard to value inventory assets" (Accounting Standards 9, July 5, 2006) became possible to be applied to issue financial statements of consolidated fiscal years that start prior to March 31, 2008, it has been applied to the fiscal reporting since the beginning of the current consolidated fiscal year. For the above reason, operating income, ordinary income and net income for the 1st quarter of the current fiscal year were all reduced by 210 million yen.

CONSOLIDATED BALANCE SHEET (SUMMARY)

At June 30, 2007 and 2006

	2007		2006		2007
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
ASSETS					
Current assets					
Cash and cash equivalents	1,394		888		11,312
Notes and accounts receivable	4,075		3,115		33,063
Inventories	15,812		12,104		128,286
Other	1,065		764		8,646
Less: allowance for doubtful accounts	(5)		(6)		(44)
Total current assets	22,342	49.0	16,866	45.3	181,263
Fixed assets					
Tangible assets	21,467		19,597		174,167
Intangible assets	1,205		331		9,782
Investment and other assets	617		440		5,011
Total fixed assets	23,291	51.0	20,369	54.7	188,960
Total assets	45,633	100.0	37,235	100.0	370,223
LIABILITIES					
Current liabilities					
Notes and accounts payable	3,434		2,594		27,864
Short-term loans	5,100		2,750		41,376
Current portion of long-term debt	15		339		125
Accrued income taxes	1,082		1,057		8,786
Accrued bonus	340		333		2,761
Accrued directors' bonus	10		-		81
Other current liabilities	1,364		1,122		11,071
Total current liabilities	11,347	24.9	8,196	22.0	92,064
Long-term liabilities					
Long-term debt	25		40		203
Accrued retirement benefit	175		68		1,423
Accrued directors' retirement benefit			161		
Other long-term liabilities	207		198		1,686
Total long-term liabilities	408	0.9	468	1.3	3,312
Total liabilities	11,756	25.8	8,664	23.3	95,376
NET ASSETS					
Common stock	4,480	9.8	4,480	12.0	36,353
Capital surplus	6,877	15.1	6,054	16.3	55,794
Retained earnings	22,540	49.4	18,413	49.4	182,870
Less: Treasury stock	(54)	(0.1)	(419)	(1.1)	(440)
Shareholders' equity	33,844	74.2	28,529	76.6	274,576
Unrealized gain on securities	3	0.0	2	0.0	31
Deferred losses on hedges	-	-	22	0.0	-
Foreign currency translation adjustments	(1)	(0.0)	(10)	(0.0)	(9)
Valuation and translation adjustments	2	0.0	14	0.0	22
MINORITY INTERESTS	30	0.0	26	0.1	249
TOTAL NET ASSETS	33,877	74.2	28,571	76.7	274,847
TOTAL LIABILITIES AND NET ASSETS	45,633	100.0	37,235	100.0	370,223

U.S. dollar amounts represent translations using the approximate exchange rate on June 30, 2007 of 123.26yen=US\$1, and are included solely for the convenience of readers.

CONSOLIDATED STATEMENTS OF INCOME

For the three months ended June 30, 2007 and 2006

	2007		2006		2007
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
Net sales	26,987	100.0	22,559	100.0	218,944
Cost of sales	23,293	86.3	19,126	84.8	188,977
Gross profit	3,693	13.7	3,432	15.2	29,967
Selling, general and administrative expenses	1,051	3.9	846	3.7	8,530
Operating Income	2,642	9.8	2,586	11.5	21,437
Non-operating profits	35	0.1	12	0.0	289
Non-operating expenses	21	0.1	4	0.0	172
Ordinary income	2,656	9.8	2,594	11.5	21,554
Special gains	7	0.0	5	0.0	61
Special losses	12	0.0	6	0.0	103
Net income before tax and other adjustments	2,651	9.8	2,592	11.5	21,511
Income taxes	1,060	3.9	1,021	4.5	8,604
Minority interests in earnings of consolidated subsidiaries	0	0.0	1	0.0	6
Net income	1,590	5.9	1,570	7.0	12,901

U.S. dollar amounts represent translations using the approximate exchange rate on June 30, 2007 of 123.26yen=US\$1, and are included solely for the convenience of readers.