

Asahi Pretec Corp. Flash Report (Consolidated Basis)

Asahi Pretec Corp. (Securities No. 5855, Tokyo Stock Exchange first section)
(URL <http://www.asahipretec.com>)

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

(From April 1, 2007 to December 31, 2007)

(1) Consolidated operating results

(Rounded off to millions of yen)

	The nine months ended December 31, 2007		The nine months ended December 31, 2006		The fiscal year ended March 31, 2007
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)
Net Sales	84,814	(21.0)	70,104	(60.6)	97,623
Operating income	7,536	(9.5)	6,880	(80.7)	9,577
Ordinary income	7,596	(10.3)	6,886	(81.6)	9,573
Net income for the first three quarters	4,464	(8.8)	4,102	(78.0)	5,720
Net income per share for the first three quarters	¥124.04		¥114.71		¥159.91
Diluted net income per share for the first three quarters	¥123.89		¥114.54		¥159.69

Note: 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 first three quarters of the fiscal year ended in March, 2007 reflects the stock split assuming that the above stock split was exercised on the beginning of the previous fiscal year ended in March, 2007.

(2) Changes in the consolidated financial position

	As of December 31, 2007	As of December 31, 2006	As of March 31, 2007
	(Millions of yen)	(Millions of yen)	(Millions of yen)
Total assets	48,100	41,076	41,746
Net assets	32,768	30,371	31,994
Equity ratio	68.1 (%)	73.9 (%)	76.6 (%)
Net assets per share	¥930.40	¥848.05	¥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 first three quarters of the fiscal year ended in March, 2007 reflects the stock split assuming that the above stock split was exercised on the beginning of the previous fiscal year ended in March, 2007.

2. Forecasts for the fiscal year ending March 31, 2008 (From April 1, 2007 to September 30, 2007)

	the fiscal year ending March 31, 2008	
Net sales (Millions of yen)	112,000	(14.7%)
Operating income (Millions of yen)	10,200	(6.5%)
Ordinary income (Millions of yen)	10,200	(6.5%)
Net income (Millions of yen)	6,000	(4.9%)
Forecasted net income per share (Yen)	165.82	

3. Others

- (1) Significant changes in scope of consolidated subsidiaries for this three quarters: None
- (2) Simplified accounting methods: Applied
- (3) Changes in accounting policies: Applied

Note: As for details, refer to the "2. Others of Qualitative information".

(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 price of the precious metal and other factors.

Reference

Non-consolidated results for the first three quarters of the fiscal year ending March 31, 2008

(From April 1, 2007 to December 31, 2007)

	The nine months ended December 31, 2007		The nine months ended December 31, 2006		The fiscal year ended March 31, 2007
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)
Net Sales	79,500	(22.2)	65,078	(62.7)	90,867
Operating income	6,895	(9.0)	6,323	(86.5)	8,890
Ordinary income	6,940	(9.7)	6,328	(88.4)	8,892
Net income for the first three quarters	4,037	(10.5)	3,652	(87.1)	5,131

Qualitative information

1. Background information on the consolidated financial results

With respect to the precious metal recycling business segment during the first three quarters of the current fiscal year, i.e., April 1 through December 31, 2007, there were increases in the collected amounts of precious metals such as gold, silver, palladium and indium 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 of the same period of the previous fiscal year, while the price of indium declined from that of the previous year.

With respect to the environmental protection business segment, the disposal amount of photo liquid wastes and collected amount 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. Kitakyushu office, which the Company took over from Sanix Incorporated in November 2007 contributes to the extended business performance. In addition, the results of the consolidated subsidiaries, Sansho, Nihon

Chemitech, Taiyo Chemical, and Iyotec, were firm.

As a result, the net sales during the first three quarters of the fiscal year reached ¥84,814million, the operating income ¥7,536 million, the ordinary income ¥7,596 million and the net income ¥4,464 million.

2. Others

(1) Adoption of simplified accounting methods

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 year

As "the accounting standard on valuation of inventory" (Corporate Accounting Standards #9, July 5, 2006) became possible to be applied to financial statements of consolidated fiscal years that start prior to March 31, 2008, it has been applied to the Company's fiscal reporting 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 ¥175 million.

CONSOLIDATED BALANCE SHEET (SUMMARY)

At December 31, 2007 and 2006

	2007		2006		2007
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
ASSETS					
Current assets					
Cash and cash equivalents	1,964		1,340		17,208
Notes and accounts receivable	3,863		3,448		33,849
Inventories	16,229		14,350		142,178
Other	1,379		734		12,081
Less: allowance for doubtful accounts	(5)		(5)		(46)
Total current assets	23,431	48.7	19,868	48.4	205,271
Fixed assets					
Tangible assets	22,209		20,363		194,565
Intangible assets	1,915		335		16,777
Investment and other assets	544		508		4,768
Total fixed assets	24,668	51.3	21,208	51.6	216,110
Total assets	48,100	100.0	41,076	100.0	421,381
LIABILITIES					
Current liabilities					
Notes and accounts payable	2,885		2,577		25,278
Short-term loans	8,950		4,450		78,406
Current portion of long-term debt	12		79		105
Accrued income taxes	1,055		1,511		9,249
Accrued bonus	356		361		3,123
Accrued directors' bonus	30		18		263
Other current liabilities	1,736		1,426		15,210
Total current liabilities	15,026	31.3	10,425	25.4	131,635
Long-term liabilities					
Long-term debt	17		33		157
Accrued retirement benefit	91		50		801
Other long-term liabilities	196		196		1,722
Total long-term liabilities	305	0.6	280	0.7	2,679
Total liabilities	15,331	31.9	10,705	26.1	134,314
NET ASSETS					
Common stock	4,480	9.3	4,480	10.9	39,254
Capital surplus	6,876	14.3	6,054	14.7	60,242
Retained earnings	24,514	51.0	20,229	49.2	214,758
Less: Treasury stock	(3,128)	(6.5)	(419)	(1.0)	(27,403)
Shareholders' equity	32,744	68.1	30,344	73.8	286,851
Unrealized gain on securities	0	0.0	3	0.0	7
Deferred losses on hedges	(20)	(0.0)	-	-	(178)
Foreign currency translation adjustments	11	0.0	(6)	(0.0)	100
Valuation and translation adjustments	(8)	(0.0)	(2)	(0.0)	(71)
MINORITY INTERESTS	32	0.0	29	0.1	287
TOTAL NET ASSETS	32,768	68.1	30,371	73.9	287,067
TOTAL LIABILITIES AND NET ASSETS	48,100	100.0	41,076	100.0	421,381

U.S. dollar amounts represent translations using the approximate exchange rate on December 28, 2007 of 114.15yen=US\$1, and are included solely for the convenience of readers.

CONSOLIDATED STATEMENTS OF INCOME

For the nine months ended December 31, 2007 and 2006

	2007		2006		2007
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
Net sales	84,814	100.0	70,104	100.0	743,005
Cost of sales	74,252	87.5	60,742	86.7	650,481
Gross profit	10,561	12.5	9,361	13.3	92,524
Selling, general and administrative expenses	3,025	3.6	2,481	3.5	26,502
Operating Income	7,536	8.9	6,880	9.8	66,021
Non-operating profits	104	0.1	36	0.0	920
Non-operating expenses	44	0.0	30	0.0	394
Ordinary income	7,596	9.0	6,886	9.8	66,548
Special gains	15	0.0	11	0.0	137
Special losses	249	0.3	186	0.2	2,181
Net income before tax and other adjustments	7,362	8.7	6,711	9.6	64,503
Income taxes	2,895	3.4	2,604	3.7	25,367
Minority interests in earnings of consolidated subsidiaries	2	0.0	3	0.0	25
Net income	4,464	5.3	4,102	5.9	39,111

U.S. dollar amounts represent translations using the approximate exchange rate on December 28, 2007 of 114.15yen=US\$1, and are included solely for the convenience of readers.