

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 quarter of the fiscal year ending March 31, 2009

(From April 1, 2008 to June 30, 2008)

(1) Consolidated operating results

[Rounded off to millions of yen]

	The three months ended June 30, 2008	The three months ended June 30, 2007
	(Millions of yen) (%)	(Millions of yen) (%)
Net sales	39,395 (—)	26,987 (19.6)
Operating income	3,295 (—)	2,642 (2.2)
Ordinary income	3,278 (—)	2,656 (2.4)
Net income for the first quarter	1,974 (—)	1,590 (1.3)
Net income per share for the first quarter	¥57.75	¥44.19
Diluted net income per share for the first quarter	¥57.71	¥44.15

(2) Changes in the consolidated financial position

	As of June 30, 2008	As of March 31, 2008
	(Millions of yen)	(Millions of yen)
Total assets	57,726	55,618
Net assets	33,095	32,000
Equity ratio	57.3 (%)	57.5 (%)
Net assets per share	¥966.23	¥935.05

Note: Equity capital (millions of yen)

The three months ended June 30,2008: 33,060 Fiscal year ended March 31,2008: 31,966

2. Dividends

	the fiscal year ended March 31, 2008	the fiscal year ended March 31, 2009	the fiscal year ended March 31, 2009 [forecast]
Dividends per share			
-The three months-end dividend(Yen)	—	—	—
-Interim dividend(Yen)	25.00	—	25.00
-The nine months-end dividend(Yen)	—	—	—
-Year -end dividend(Yen)	25.00	—	30.00
-Annual dividend(Yen)	50.00	—	55.00

Note: Changes in forecast of dividends for this quarter: None

3. Forecast for the fiscal year ending March 31, 2009 (From April 1, 2008 to March 31, 2009)

	1 st half	Full year
Net sales (Millions of yen)	60,000 (—)	130,000 (10.7%)
Operating income (Millions of yen)	5,500 (—)	12,000 (10.8%)
Ordinary income (Millions of yen)	5,500 (—)	12,000 (10.5%)
Net income (Millions of yen)	3,200 (—)	7,000 (8.5%)
Forecasted net income per share (Yen)	93.60	204.75

- Notes: 1. Changes in forecast for this quarter: None
2. Above percentage term in full year is the percentage change from previous year, respectively.

(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.

CONSOLIDATED BALANCE SHEET

At June 30, 2008 and at March 31, 2008

	At June 30, 2008		At March 31, 2008		At June 30, 2008
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
ASSETS					
Current assets					
Cash and deposits	2,045		2,054		19,218
Notes and accounts receivable-trade	5,885		4,858		55,305
Finished goods	7,463		7,385		70,130
Raw materials	11		10		108
Work in process	16,118		13,801		151,462
Other	1,672		2,826		15,719
Less: allowance for doubtful accounts	(7)		(7)		(69)
Total current assets	33,189	57.5	30,928	55.6	311,873
Noncurrent assets					
Property, plant and equipment					
Buildings and structures	7,074		7,091		66,481
Land	9,845		9,817		92,516
Other	5,251		5,363		49,347
Total property, plant and equipment	22,171	38.4	22,272	40.0	208,344
Intangible assets					
Goodwill	1,585		1,621		14,903
Other	257		269		2,424
Total intangible assets	1,843	3.2	1,890	3.4	17,327
Investments and other assets	520	0.9	527	1.0	4,894
Total noncurrent assets	24,536	42.5	24,690	44.4	230,564
Total assets	57,726	100.0	55,618	100.0	542,437
LIABILITIES					
Current liabilities					
Notes and accounts payable-trade	4,004		3,102		37,630
Short-term loans payable	17,650		15,550		165,852
Current portion of long-term loans payable	14		14		134
Accounts payable-other	986		1,009		9,269
Income taxes payable	867		2,447		8,149
Provision for bonuses	297		662		2,798
Provision for directors' bonuses	10		40		94
Provision for repairs	24		96		229
Other	529		465		4,977
Total current liabilities	24,384	42.2	23,388	42.1	229,132
Noncurrent liabilities					
Long-term loans payable	7		10		67
Provision for retirement benefits	124		104		1,171
Other	114		115		1,080
Total noncurrent liabilities	246	0.4	230	0.4	2,319
Total liabilities	24,631	42.7	23,618	42.5	231,451
NET ASSETS					
Capital stock	4,480	7.8	4,480	8.1	42,105
Capital surplus	6,802	11.8	6,869	12.3	63,924
Retained earnings	27,616	47.8	26,496	47.6	259,506
Less: Treasury stock	(5,814)	(10.1)	(5,896)	(10.6)	(54,638)
Shareholders' equity	33,085	57.3	31,950	57.4	310,897
Valuation difference on available-for-sale securities	19	0.0	0	0.0	180
Foreign currency translation adjustment	(43)	(0.1)	15	0.0	(413)
Valuation and translation adjustments	(24)	(0.1)	16	0.0	(233)
MINORITY INTERESTS	34	0.1	33	0.1	323
TOTAL NET ASSETS	33,095	57.3	32,000	57.5	310,986
TOTAL LIABILITIES AND NET ASSETS	57,726	100.0	55,618	100.0	542,437

U.S. dollar amounts represent translations using the approximate exchange rate on June 30, 2008 of yen 106.42 = US\$1, and are included solely for the convenience of readers.

CONSOLIDATED STATEMENTS OF INCOME

For the three months ended June 30, 2008

	2008		2008
	Millions of yen	%	Thousands of U.S.dollars
Net sales	39,395	100.0	370,188
Cost of sales	<u>35,017</u>	<u>88.9</u>	<u>329,052</u>
Gross profit	4,377	11.1	41,136
Selling, general and administrative expenses	<u>1,081</u>	<u>2.7</u>	<u>10,166</u>
Operating income	3,295	8.4	30,970
Non-operating income	33	0.0	312
Non-operating expenses	<u>50</u>	<u>0.1</u>	<u>478</u>
Ordinary income	3,278	8.3	30,804
Extraordinary income	0	0.0	1
Extraordinary loss	<u>4</u>	<u>0.0</u>	<u>44</u>
Income before income taxes	3,273	8.3	30,762
Income taxes-current	856	2.2	8,051
Income taxes-deferred	<u>440</u>	<u>1.1</u>	<u>4,143</u>
Income taxes	<u>1,297</u>	<u>3.3</u>	<u>12,195</u>
Minority interests in income	<u>0</u>	<u>0.0</u>	<u>9</u>
Net income	<u><u>1,974</u></u>	<u><u>5.0</u></u>	<u><u>18,558</u></u>

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CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended June 30, 2008

	2008	2008
	Millions of yen	Thousands of U.S.dollars
Net cash provided by operating activities		
Income before income taxes	3,273	30,762
Depreciation and amortization	623	5,857
Amortization of goodwill	49	461
Amortization of negative goodwill	(13)	(126)
Increase in provision for retirement benefits	19	187
Interest and dividends income	(1)	(15)
Interest expenses	33	315
Loss (gain) on sales and retirement of noncurrent asset s	4	43
Increase in notes and accounts receivable-trade	(1,027)	(9,656)
Increase in inventories	(2,398)	(22,538)
Increase in notes and accounts payable	905	8,511
Decrease in accounts payable-other	(31)	(296)
Other	250	2,357
Sub-total	1,688	15,862
Interest and dividends income received	1	14
Interest expenses paid	(32)	(309)
Income taxes paid	(2,378)	(22,349)
Net cash provided by operating activities	(721)	(6,782)
Net cash provided by investment activities		
Proceeds from collection of guarantee deposits	22	211
Purchase of property, plant and equipment	(522)	(4,909)
Proceeds from sales of property, plant and equipment	1	10
Purchase of intangible assets	(11)	(110)
Other payments	(13)	(129)
Other proceeds	1	10
Net cash provided by investment activities	(523)	(4,916)
Net cash provided by financing activities		
Net increase in short-term loans payable	2,100	19,733
Repayment of long-term loans payable	(3)	(34)
Purchase of treasury stock	(0)	(9)
Proceeds from exercise of stock option	13	131
Cash dividends paid	(841)	(7,908)
Net cash provided by financing activities	1,267	11,914
Effect of exchange rate changes on cash and cash equivalents	(32)	(303)
Net decrease in cash and cash equivalents	(9)	(87)
Cash and cash equivalents at the beginning of year	2,054	19,305
Cash and cash equivalents at June 30, 2008	2,045	19,218

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