

May 10, 2006

Asahi Pretec Corp. Flash Report (Consolidated Basis)

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1. Consolidated results for the year ended March 31, 2006

(1) Consolidated operating results [Rounded off to millions of yen]

	Current fiscal year (ended March 31, 2006)	Previous fiscal year (ended March 31, 2005)
Net sales (Millions of yen)	62,372	46,937
Operating income (Millions of yen)	5,563	3,513
Ordinary income (Millions of yen)	5,561	3,463
Net income (Millions of yen)	3,272	1,956
Net income per share - basic (Yen)	145.72	95.37
Net income per share - diluted (Yen)	138.20	86.45
Return on equity (%)	13.6	9.7
Ratio of ordinary income to total assets (%)	16.4	11.9
Ratio of ordinary income to net sales (%)	8.9	7.4

(Notes) 1. Equity in earnings of unconsolidated subsidiaries and affiliates ; None

2. Average number of shares outstanding during fiscal year (consolidated basis)

Year ended March 31, 2006: 22,458,393 Year ended March 31, 2005: 20,195,826

(2) Consolidated financial position

	Current fiscal year (ended March 31, 2006)	Previous fiscal year (ended March 31, 2005)
Total assets (Millions of yen)	36,465	31,157
Shareholder's equity (Millions of yen)	27,422	20,816
Equity ratio (%)	75.2	66.8
Equity per share (Yen)	1,150.69	1,029.24

(Notes) Number of shares outstanding at the end of fiscal year (consolidated basis)

Year ended March 31, 2006: 23,831,101 Year ended March 31, 2005: 20,195,801

(3) Consolidated cash flows

	Current fiscal year (ended March 31, 2006)	Previous fiscal year (ended March 31, 2005)
Operating activities (Millions of yen)	859	3,561
Investing activities (Millions of yen)	2,799	2,599
Financing activities (Millions of yen)	922	337
Cash and cash equivalents at the end of fiscal year (Millions of yen)	1,584	4,435

(4) Scope of Consolidation and equity method affiliates

Consolidated subsidiaries	9
Unconsolidated subsidiaries accounted for by the equity method	None
Affiliates accounted for by the equity method	None

(Notes) Changes in scope of consolidated companies addition: 3 exclusion: 3

2. Forecast for the next fiscal year ending March 31, 2007

	1 st half	Full year
Net sales (Millions of yen)	37,000	73,000
Ordinary income (Millions of yen)	3,100	6,300
Net income (Millions of yen)	1,900	3,800
Forecasted net income per share (Yen)	-	159.46

The financial results projection stated above is based on currently available information and may change depending on the fluctuation of the price of the precious metal and other factors.

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Asahi Pretec Corp. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

At March 31, 2006 and 2005

	2006		2005		2006
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
ASSETS					
Current assets					
Cash and cash equivalents	1,584		4,435		13,490
Notes and accounts receivable	3,731		2,464		31,768
Inventories	10,128		5,094		86,222
Deferred tax assets	443		318		3,772
Other current assets	313		65		2,666
Less: allowance for doubtful accounts	(6)		(3)		(54)
Total current assets	16,194	44.4	12,375	39.7	137,865
Fixed assets					
Tangible assets					
Buildings and structures	6,382		5,946		54,337
Machinery and carriers	3,415		3,391		29,078
Land	8,910		7,600		75,851
Construction in progress	376		563		3,208
Other tangible assets	389		493		3,318
Total tangible assets	19,475	53.4	17,995	57.8	165,792
Intangible assets					
Intangible assets	335	0.9	360	1.1	2,860
Investment and other assets					
Investment securities	23		19		197
Deferred tax assets	92		72		787
Other investment and other assets	350		333		2,982
Less: allowance for doubtful accounts	(7)		(0)		(61)
Total investment and other assets	458	1.3	425	1.4	3,904
Total fixed assets	20,270	55.6	18,781	60.3	172,556
Total assets	36,465	100.0	31,157	100.0	310,421
LIABILITIES					
Current liabilities					
Notes and accounts payable	3,000		1,769		25,540
Short-term loans	1,650		875		14,046
Current portion of long-term debt	468		699		3,985
Accrued income taxes	1,601		903		13,632
Accrued bonus	537		451		4,580
Other current liabilities	1,307		1,052		11,130
Total current liabilities	8,565	23.5	5,751	18.5	72,913
Long-term liabilities					
Convertible notes with stock acquisition rights	-		3,492		-
Long-term debt	45		656		389
Accrued retirement benefit	55		58		472
Accrued directors' retirement benefit	161		161		1,372
Deferred tax liabilities	126		111		1,076
Consolidation adjustment	63		88		543
Total long-term liabilities	452	1.2	4,567	14.6	3,851
Total liabilities	9,017	24.7	10,319	33.1	76,765
MINORITY INTERESTS	25	0.1	21	0.1	217
SHAREHOLDERS' EQUITY					
Common stock	4,480	12.3	2,737	8.8	38,144
Capital surplus	6,054	16.6	4,310	13.8	51,538
Retained earnings	17,323	47.5	15,019	48.2	147,473
Unrealized gain on securities	8	0.0	3	0.0	69
Foreign currency translation adjustments	(10)	(0.0)	(49)	(0.1)	(92)
Less: Treasury stock	(433)	(1.2)	(1,205)	(3.9)	(3,692)
Total shareholders' equity	27,422	75.2	20,816	66.8	233,439
Total liabilities, minority interests and shareholders' equity	36,465	100.0	31,157	100.0	310,421

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Asahi Pretec Corp. and Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME (SUMMARY)

Years ended March 31 , 2006 and 2005

	2006		2005		2006
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
Net sales	62,372	100.0	46,937	100.0	530,969
Cost of sales	53,827	86.3	41,290	88.0	458,227
Gross profit	8,545	13.7	5,646	12.0	72,742
Selling, general and administrative expenses	2,981	4.8	2,133	4.5	25,383
Operating Income	5,563	8.9	3,513	7.5	47,359
Non-operating profits	69	0.1	38	0.1	593
Non-operating expenses	71	0.1	89	0.2	609
Ordinary income	5,561	8.9	3,463	7.4	47,343
Special gains	6	0.0	0	0.0	51
Special losses	236	0.3	312	0.7	2,009
Net income before tax and other adjustments	5,331	8.6	3,151	6.7	45,385
Income taxes	2,156	3.5	1,259	2.7	18,361
Deferred tax	(101)	(0.2)	(67)	(0.2)	(867)
Minority interests in earnings of consolidated subsidiaries	3	0.0	3	0.0	32
Net income	3,272	5.3	1,956	4.2	27,860

Asahi Pretec Corp. and Consolidated Subsidiaries

APPROPRIATION OF CONSOLIDATED RETAINED EARNINGS

Years ended March 31 , 2006 and 2005

	2006	2005	2006
	Millions of yen	Millions of yen	Thousands of U.S.dollars
<u>Capital reserve</u>			
Balance at beginning of year	4,310	4,310	36,693
Increase in additional paid-in capital			
Increase due to conversion of convertible notes with stock acquisition right	1,743	-	14,845
Total increase in additional paid-in capital	1,743	-	14,845
Capital reserve at end of year	6,054	4,310	51,538
<u>Retained earnings</u>			
Balance at beginning of year	15,019	13,608	127,862
Increase in retained earnings			
Net income	3,272	1,956	27,860
Total increase in retained earnings	3,272	1,956	27,860
Appropriations of retained earnings			
Cash dividends	659	525	5,610
Directors' bonuses	30	20	255
Loss on sales of treasury stock	280	-	2,384
Total appropriations of retained earnings	969	545	8,249
Retained earnings	17,323	15,019	147,473

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Asahi Pretec Corp. and Consolidated Subsidiaries
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 Years ended March 31 , 2006 and 2005

	2006 Millions of yen	2005 Millions of yen	2006 Thousands of U.S.dollars
Cash flow from operating activities			
Net income before tax and other adjustments	5,331	3,151	45,385
Depreciation and amortization	1,596	1,526	13,591
Amortization of excess of cost over net assets acquired	-	48	-
Net loss on disposal or sales of fixed assets	230	244	1,958
Amortization of consolidation adjustment	21	23	181
Provision of accrued retirement benefits	(2)	(11)	(24)
Interest and dividend income	(2)	(2)	(21)
Loss (gain) on sales of investment securities, net	(0)	3	(0)
Interest expenses	12	30	106
(Increase) decrease in notes and accounts receivable	(943)	245	(8,028)
Increase in inventories	(5,021)	(1,233)	(42,748)
Increase in notes and accounts payable	1,161	520	9,888
Increase (decrease) in tax and other liabilities	217	(123)	1,856
Payment of directors' bonuses	(30)	(20)	(255)
Other	(167)	(62)	(1,424)
Sub-total	<u>2,403</u>	<u>4,341</u>	<u>20,464</u>
Interest and dividends received	2	2	21
Interest paid	(13)	(30)	(111)
Income taxes paid	(1,533)	(751)	(13,057)
Net cash provided by operating activities	<u>859</u>	<u>3,561</u>	<u>7,317</u>
Cash flow from investing activities			
Repayment of deposits	42	8	360
Payment for purchase of investments in subsidiaries, net of cash acquired	(117)	(575)	(1,002)
Proceeds from acquisition of the shares of subsidiaries by exchange of shares	205	-	1,752
Additions to tangible assets	(2,765)	(1,930)	(23,539)
Proceeds from sales of fixed assets	64	22	548
Additions to intangible assets	(90)	(91)	(769)
Other payments	(150)	(71)	(1,281)
Other receipt	11	38	97
Net cash used in investing activities	<u>(2,799)</u>	<u>(2,599)</u>	<u>(23,835)</u>
Cash flow from financing activities			
Increase(decrease) in short-term debt	775	(1,482)	6,597
Proceeds from long-term debt	-	20	-
Repayment of long-term debt	(1,139)	(1,175)	(9,697)
Proceeds from convertible notes with stock acquisition right	-	3,492	-
Redemption of convertible notes with stock acquisition right	(4)	-	(37)
Purchase of treasury stock	(346)	(0)	(2,953)
Proceeds from sales of treasury stock upon exercise of stock options	451	-	3,844
Contributions from Minority Shareholders	-	9	-
Dividends paid	(659)	(525)	(5,612)
Net cash used in financing activities	<u>(922)</u>	<u>337</u>	<u>(7,857)</u>
Effect of exchange rate changes on cash and cash equivalents	12	(6)	107
Increase(decrease) in cash and cash equivalents	<u>(2,850)</u>	<u>1,293</u>	<u>(24,268)</u>
Cash and cash equivalents at beginning of year	<u>4,435</u>	<u>3,141</u>	<u>37,759</u>
Cash and cash equivalents at end of year	<u><u>1,584</u></u>	<u><u>4,435</u></u>	<u><u>13,490</u></u>

U.S. dollar amounts represent translations using the approximate exchange rate on March 31,2006,of yen 117.47 =

US\$1,and are included solely for the convenience of readers.