

Asahi Pretec Corp. Flash Report (Consolidated Basis)

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1.Consolidated results for the year ended March 31, 2007**(1) Consolidated operating results** [Rounded off to millions of yen]

	the fiscal year ended March 31, 2007	the fiscal year ended March 31, 2006
Net sales (Millions of yen)	97,623	62,372
Operating income (Millions of yen)	9,577	5,563
Ordinary income (Millions of yen)	9,573	5,561
Net income (Millions of yen)	5,720	3,272
Net income per share - basic (Yen)	159.91	145.72
Net income per share - diluted (Yen)	159.69	138.20
Return on equity (%)	19.3	13.6
Ratio of ordinary income to total assets (%)	24.5	16.4
Ratio of operating income to net sales (%)	9.8	8.9

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

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 fiscal year ended in March, 2007 reflects the stock split assuming that the above stock split was exercised on the beginning of the fiscal year under review. The per share information for previous fiscal year ended in March, 2006 is derived from the number of shares before the above stock split.

(2) Consolidated financial position

	the fiscal year ended March 31, 2007	the fiscal year ended March 31, 2006
Total assets (Millions of yen)	41,746	36,465
Shareholder's equity (Millions of yen)	31,994	27,422
Equity ratio (%)	76.6	75.2
Net assets per share (Yen)	893.27	1,150.69

(Notes) 1. Equity capital (millions of yen)

Fiscal year ended March 31, 2007: 31,964 Fiscal year ended March 31, 2006: -

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 fiscal year ended in March, 2007 reflects the stock split assuming that the above stock split was exercised on the beginning of the fiscal year under review. The per share information for previous fiscal year ended in March, 2006 is derived from the number of shares before the above stock split.

(3) Consolidated cash flows

	the fiscal year ended March 31, 2007	the fiscal year ended March 31, 2006
Operating activities (Millions of yen)	4,281	859
Investing activities (Millions of yen)	3,325	2,799
Financing activities (Millions of yen)	1,052	922
Cash and cash equivalents at the end of fiscal year (Millions of yen)	1,491	1,584

2. Dividends

	the fiscal year ended March 31, 2007	the fiscal year ended March 31, 2006	the fiscal year ended March 31, 2008 [forecast]
Dividends per share			
-Interim dividend (Yen)	30.00	16.00	25.00
-Year-end dividend (Yen)	25.00	20.00	25.00
-Annual dividend (Yen)	55.00	36.00	50.00
Total dividend [annual] (Millions of yen)	1,610	852	1,809
Dividend ratio [consolidated] (%)	28.1	24.7	30.2
Net assets dividend rate [consolidated] (%)	5.4	3.3	5.3

(Notes) The Company carried out a 1.5-to-1 stock split with effect on October, 1, 2006. The dividends per share for the fiscal year ended in March, 2007 is ¥45 (¥20 at the interim period) assuming that the stock split was exercised on the beginning of the fiscal year. The dividends per share for previous fiscal year ended in March, 2006 is ¥24 (¥10.67 at the interim period) assuming that the stock split was exercised on the beginning of the fiscal year.

3. Forecast for the fiscal year ending March 31, 2008

	1 st half	Full year
Net sales (Millions of yen)	54,000 (19.8%)	112,000 (14.7%)
Operating income (Millions of yen)	4,800 (7.4%)	10,200 (6.5%)
Ordinary income (Millions of yen)	4,800 (7.3%)	10,200 (6.5%)
Net income (Millions of yen)	2,800 (5.5%)	6,000 (4.9%)
Forecasted net income per share (Yen)	77.38	165.82

(Notes) Above percentage terms in 1st half and full year are the percentage change from previous half and the percentage change from previous year, respectively.

The financial forecasts 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.

CONSOLIDATED BALANCE SHEET (SUMMARY)

At March 31, 2007 and 2006

	2007		2006		2007
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
ASSETS					
Current assets					
Cash and cash deposits	1,491		1,584		12,638
Notes and accounts receivable	3,371		3,731		28,562
Inventories	14,217		10,128		120,435
Deferred income taxes	521		443		4,421
Other	215		313		1,822
Less: allowance for doubtful accounts	(4)		(6)		(40)
Total current assets	19,813	47.5	16,194	44.4	167,839
Fixed assets					
Tangible assets					
Building and structures	6,305		6,382		53,417
Machinery and carriers	3,316		3,415		28,092
Land	9,339		8,910		79,118
Construction in progress	1,481		376		12,552
Other tangible assets	569		389		4,824
Total tangible assets	21,013	50.3	19,475	53.4	178,003
Intangible assets					
Intangible assets	308	0.7	335	0.9	2,611
Investment and other assets					
Investment securities	138		23		1,173
Deferred tax assets	46		92		391
Other investment and other assets	437		350		3,704
Less: allowance for doubtful accounts	(10)		(7)		(88)
Total investment and other assets	611	1.5	458	1.3	5,179
Total fixed assets	21,932	52.5	20,270	55.6	185,793
Total assets	41,746	100.0	36,465	100.0	353,632
LIABILITIES					
Current liabilities					
Notes and accounts payable	2,354		3,000		19,944
Short-term loans	2,250		1,650		19,060
Current portion of long-term debt	20		468		175
Accrued income taxes	2,683		1,601		22,729
Accrued bonus	624		537		5,293
Accrued directors' bonus	25		20		212
Other current liabilities	1,582		1,287		13,406
Total current liabilities	9,540	22.9	8,565	23.5	80,819
Long-term liabilities					
Long-term debt	25		45		212
Accrued retirement benefit	62		55		531
Accrued directors' retirement benefit			161		
Deferred tax liabilities	110		126		936
Consolidation adjustment			63		
Negative goodwill	12				107
Total long-term liabilities	210	0.5	452	1.2	1,786
Total liabilities	9,751	23.4	9,017	24.7	82,605
MINORITY INTERESTS					
	-	-	25	0.1	
SHAREHOLDERS' EQUITY					
Common stock	-	-	4,480	12.3	
Capital surplus	-	-	6,054	16.6	
Retained earnings	-	-	17,323	47.5	
Unrealized gain on securities	-	-	8	0.0	
Foreign currency translation adjustments	-	-	(10)	(0.0)	
Less: Treasury stock	-	-	(433)	(1.2)	
Total shareholders' equity	-	-	27,422	75.2	
Total liabilities, minority interests and shareholders' equity	-	-	36,465	100.0	

	2007		2006		2007
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
NET ASSETS					
Common stock	4,480	10.7	-	-	37,957
Capital surplus	6,054	14.5	-	-	51,284
Retained earnings	21,844	52.3	-	-	185,048
Less: Treasury stock	(419)	(1.0)	-	-	(3,556)
Shareholders' equity	31,960	76.5	-	-	270,733
Unrealized gain on securities	3	0.0	-	-	32
Foreign currency translation adjustments	0	0.0	-	-	8
Valuation and translation adjustments	4	0.0	-	-	41
MINORITY INTERESTS	29	0.1	-	-	253
TOTAL NET ASSETS	31,994	76.6	-	-	271,027
TOTAL LIABILITIES AND NET ASSETS	41,746	100.0	-	-	353,632

U.S. dollar amounts represent translations using the approximate exchange rate on March 31, 2007 of 118.05yen=US\$1, and are included solely for the convenience of readers.

CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2007 and 2006

	2007		2006		2007
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
Net sales	97,623	100.0	62,372	100.0	826,971
Cost of sales	84,680	86.7	53,827	86.3	717,326
Gross profit	12,943	13.3	8,545	13.7	109,646
Selling general and administrative expenses	3,365	3.5	2,981	4.8	28,513
Operating Income	9,577	9.8	5,563	8.9	81,132
Non-operating profits	39	0.0	69	0.1	331
Non-operating expenses	42	0.0	71	0.1	362
Ordinary income	9,573	9.8	5,561	8.9	81,101
Special gains	41	0.0	6	0.0	348
Special losses	256	0.2	236	0.3	2,173
Net income before tax and other adjustments	9,358	9.6	5,331	8.6	79,276
Income taxes	3,681	3.8	2,156	3.5	31,188
Deferred tax	(48)	(0.1)	(101)	(0.2)	(407)
Minority interests in earnings of consolidated subsidiaries	4	0.0	3	0.0	37
Net income	5,720	5.9	3,272	5.3	48,457

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CONSOLIDATED STATEMENTS OF CAPITAL SURPLUS AND RETAINED EARNINGS

	Prior Fiscal Year
	Millions of yen
<u>CAPITAL SURPLUS</u>	
Capital surplus at beginning of period	4,310
Increase due to conversion of convertible bonds	1,743
Increase in capital surplus	1,743
Capital surplus at end of period	6,054
<u>RETAINED EARNINGS</u>	
Retained earnings at beginning of period	15,019
Net income	3,272
Increase in retained earnings	3,272
Cash dividends	659
Directors' bonuses	30
Loss on sales of treasury stock	280
Decrease in retained earnings	969
<u>RETAINED EARNINGS AT END OF PERIOD</u>	17,323

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Current Interim Period (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Owner's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at March 31, 2006	4,480	6,054	17,323	(433)	27,424
Dividends from retained earnings			(1,192)		(1,192)
Net income			5,720		5,720
Purchase of treasury stock				(16)	(16)
Gain on sales of treasury stock			(6)	30	23
Decrease of items during the period except those included in owner's equity					
Total increase (decrease) of the above Items during the period	-	-	4,521	13	4,535
Balance at March 31, 2007	4,480	6,054	21,844	(419)	31,960

	Valuation and translation adjustments			Minority interests	Total net assets
	Net unrealized gain on available-for-sale securities	Cumulative translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	8	(10)	(2)	25	27,447
Dividends from retained earnings					(1,192)
Net income					5,720
Purchase of treasury stock					(16)
Gain on sales of treasury stock					23
Decrease of items during the period except those included in owner's equity	(4)	11	7	4	11
Total increase (decrease) of the above Items during the period	(4)	11	7	4	4,547
Balance at March 31, 2007	3	0	4	29	31,994

Asahi Pretec Corp. and Consolidated Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended March 31, 2007 and 2006

	2007	2006	2007
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Cash flow from operating activities			
Net income before tax and other adjustments	9,358	5,331	79,276
Depreciation and amortization	1,578	1,596	13,374
Net loss on disposal or sales of fixed assets	219	230	1,858
Amortization of consolidation adjustment		21	
Provision of accrued retirement benefits	7	(2)	61
Interest and dividend income	(3)	(2)	(30)
Loss (gain) on sales of investment securities, net	(3)	(0)	(33)
Interest expenses	18	12	153
(Increase) decrease in notes and accounts receivable	360	(943)	3,050
Increase in inventories	(4,088)	(5,021)	(34,632)
Increase (decrease) in notes and accounts payable	(645)	1,161	(5,470)
Increase (decrease) in tax and other liabilities	10	217	89
Payment of directors' bonuses		(30)	
Other	100	(167)	851
Sub-total	6,911	2,403	58,547
Interest and dividends received	2	2	25
Interest paid	(19)	(13)	(162)
Income taxes paid	(2,614)	(1,533)	(22,144)
Net cash provided by operating activities	4,281	859	36,267
Cash flow from investing activities			
Repayment of deposits	59	42	501
Payment for purchase of investments in subsidiaries, net of cash acquired		(117)	
Proceeds from acquisition of the shares of subsidiaries by exchange of shares		205	
Additions to tangible assets	(2,987)	(2,765)	(25,309)
Proceeds from sales of fixed assets	98	64	838
Additions to intangible assets	(129)	(90)	(1,099)
Other payments	(385)	(150)	(3,263)
Other receipt	19	11	164
Net cash used in investing activities	(3,325)	(2,799)	(28,168)
Cash flow from financing activities			
Increase (decrease) in short-term debt	600	775	5,083
Repayment of long-term debt	(468)	(1,139)	(3,965)
Redemption of convertible notes with stock acquisition right		(4)	
Purchase of treasury stock	(16)	(346)	(140)
Proceeds from sales of treasury stock upon exercise of stock options	23	451	197
Dividends paid	(1,190)	(659)	(10,086)
Net cash used in financing activities	(1,052)	(922)	(8,912)
Effect of exchange rate changes on cash and cash equivalents	3	12	27
Decrease in cash and cash equivalents	(92)	(2,850)	(786)
Cash and cash equivalents at the beginning of year	1,584	4,435	13,424
Cash and cash equivalents at the end of year	1,491	1,584	12,638

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