

President & CEO : Mitsuharu Terayama
 (Securities No.5855, TSE 1st section)
 Contact : Yukio Tanabe,General Manager
 (Tel : 81-(0)78-333-5600)

1. Financial results for the six months ended September 30, 2005**(1) Consolidated operating results**

[Rounded off to millions of Yen]

	The six months ended September 30, 2005		The six months ended September 30, 2004		The fiscal year ended March 31, 2005
	millions of Yen	%	millions of Yen	%	Millions of Yen
Net sales	26,747	21.2	22,074	31.0	46,937
Operating income	2,190	36.7	1,602	64.6	3,513
Ordinary income	2,165	39.5	1,551	57.9	3,463
Net income	1,321	49.7	882	71.3	1,956
Net income per share - basic (Yen)	61.23		43.70		95.37
Net income per share - diluted (Yen)	55.91		42.30		86.45

(Notes)

1. Equity in earnings of unconsolidated subsidiaries and affiliates : None

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

First half FY2005: 21,584,851 First half FY2004: 20,195,850 Full year FY2004: 20,195,826

3. Changes in accounting method : None

4. The % figures show percentage of changes from the corresponding period of the preceding year.

(2) Consolidated financial position

	The six months ended September 30, 2005	The six months ended September 30, 2004	The fiscal year ended March 31, 2005
Total assets (millions of Yen)	32,073	31,949	31,157
Shareholder's equity (millions of Yen)	25,603	20,016	20,816
Equity ratio (%)	79.8	62.7	66.8
Equity per share (Yen)	1,088.74	991.14	1,029.24

(3) Consolidated cash flows

	The six months ended September 30, 2005	The six months ended September 30, 2004	The fiscal year ended March 31, 2005
Operating activities (millions of Yen)	893	218	3,561
Investing activities (millions of Yen)	1,968	1,581	2,599
Financing activities (millions of Yen)	1,168	2,721	337
Cash and cash equivalents (millions of Yen)	2,197	4,503	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

Changes in scope of consolidated companies addition: 1 exclusion: 1

2. Forecast for the fiscal year ending March 31, 2006

	Full year
Net sales (millions of Yen)	56,000
Ordinary income (millions of Yen)	4,600
Net income (millions of Yen)	2,900
Forecasted net income per share (Yen)	127.27

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.

Asahi Pretec Corp. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

At September 30, 2005 and 2004

	2005		2004		2005
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
ASSETS					
Current assets					
Cash and cash equivalents	2,197		4,503		19,412
Notes and accounts receivable	2,521		3,111		22,279
Inventories	6,634		5,278		58,615
Deferred tax assets	303		302		2,683
Other current assets	221		180		1,953
Less: allowance for doubtful accounts	(3)		(4)		(34)
Total current assets	11,874	37.0	13,371	41.8	104,908
Fixed assets					
Tangible assets					
Buildings and structures	6,201		5,980		54,786
Machinery and carriers	3,540		3,717		31,282
Land	8,763		7,474		77,420
Construction in progress	443		188		3,914
Other tangible assets	437		338		3,864
Total tangible assets	19,385	60.4	17,699	55.4	171,266
Intangible assets					
Intangible assets	372	1.2	399	1.3	3,288
Investment and other assets					
Investment securities	21		24		192
Deferred tax assets	97		94		863
Other investment and other assets	328		378		2,905
Less: allowance for doubtful accounts	(6)		(18)		(62)
Total investment and other assets	441	1.4	479	1.5	3,898
Total fixed assets	20,198	63.0	18,578	58.2	178,451
Total assets	32,073	100.0	31,949	100.0	283,360
LIABILITIES					
Current liabilities					
Notes and accounts payable	2,145		1,701		18,951
Short-term loans	850		2,545		7,509
Current portion of long-term debt	533		876		4,714
Accrued income taxes	842		667		7,444
Accrued bonus	501		467		4,426
Other current liabilities	851		795		7,527
Total current liabilities	5,724	17.8	7,053	22.1	50,573
Long-term liabilities					
Convertible notes with stock acquisition rights	-		3,492		-
Long-term debt	250		938		2,211
Accrued retirement benefit	82		89		725
Accrued directors' retirement benefit	161		161		1,423
Deferred tax liabilities	111		110		982
Consolidation adjustment	117		76		1,036
Total long-term liabilities	721	2.3	4,868	15.2	6,378
Total liabilities	6,446	20.1	11,921	37.3	56,951
MINORITY INTERESTS	23	0.1	11	0.0	206
SHAREHOLDERS' EQUITY					
Common stock	4,480	14.0	2,737	8.6	39,587
Capital surplus	6,054	18.9	4,310	13.5	53,486
Retained earnings	15,852	49.4	14,209	44.5	140,054
Unrealized gain on securities	6	0.0	3	0.0	55
Foreign currency translation adjustments	(33)	(0.1)	(37)	(0.1)	(294)
Less: Treasury stock	(756)	(2.4)	(1,205)	(3.8)	(6,684)
Total shareholders' equity	25,603	79.8	20,016	62.7	226,203
Total liabilities, minority interests and shareholders' equity	32,073	100.0	31,949	100.0	283,360

Asahi Pretec Corp. and Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME (SUMMARY)

Six months ended September 30 , 2005 and 2004

	2005		2004		2005
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
Net sales	26,747	100.0	22,074	100.0	236,302
Cost of sales	23,155	86.6	19,431	88.0	204,572
Gross profit	3,591	13.4	2,643	12.0	31,730
Selling, general and administrative expenses	1,400	5.2	1,040	4.7	12,374
Operating Income	2,190	8.2	1,602	7.3	19,355
Non-operating profits	26	0.1	16	0.0	230
Non-operating expenses	51	0.2	66	0.3	456
Ordinary income	2,165	8.1	1,551	7.0	19,130
Special gains	5	0.0	-	-	46
Special losses	42	0.2	96	0.4	371
Net income before tax and other adjustments	2,128	7.9	1,455	6.6	18,805
Income taxes	796	3.0	641	2.9	7,039
Deferred tax	8	0.0	(70)	(0.3)	75
Minority interests in earnings of consolidated subsidiaries	1	0.0	2	0.0	13
Net income	1,321	4.9	882	4.0	11,677

Asahi Pretec Corp. and Consolidated Subsidiaries

APPROPRIATION OF CONSOLIDATED RETAINED EARNINGS

Six month ended September 30 , 2005 and 2004

	2005	2004	2005
	Millions of yen	Millions of yen	Thousands of U.S.dollars
<u>Capital reserve</u>			
Balance at the beginning of period	4,310	4,310	38,080
Increase in additional paid-in capital			
Increase due to conversion of convertible notes with stock acquisition right	1,743	-	15,406
Total increase in additional paid-in capital	1,743	-	15,406
Capital reserve at the end of period	6,054	4,310	53,486
<u>Retained earnings</u>			
Balance at the beginning of period	15,019	13,608	132,697
Increase in retained earnings			
Net income	1,321	882	11,677
Total increase in retained earnings	1,321	882	11,677
Appropriations of retained earnings			
Cash dividends	282	262	2,498
Directors' bonuses	30	20	265
Loss on sales of treasury stock	176	-	1,556
Total appropriations of retained earnings	488	282	4,319
Retained earnings	15,852	14,209	140,054

Asahi Pretec Corp. and Consolidated Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
Six months ended September 30 , 2005 and 2004

	2005 Millions of yen	2004 Millions of yen	2005 Thousands of U.S.dollars
Cash flow from operating activities			
Net income before tax and other adjustments	2,128	1,455	18,805
Depreciation and amortization	765	715	6,766
Amortization of excess of cost over net assets acquired	-	48	-
Net loss on disposal or sales of fixed assets	36	47	322
Amortization of consolidation adjustment	10	11	89
Provision of accrued retirement benefits	23	19	210
Interest and dividend income	(1)	(0)	(12)
Loss (gain) on sales of investment securities, net	0	-	4
Interest expenses	7	17	67
(Increase) decrease in notes and accounts receivable	178	(400)	1,578
Increase in inventories	(1,529)	(1,417)	(13,509)
Decrease in notes and accounts payable	311	452	2,751
Increase (decrease) in tax and other liabilities	73	(91)	653
Payment of directors' bonuses	(30)	(20)	(265)
Other	(188)	(251)	(1,667)
Sub-total	<u>1,787</u>	<u>586</u>	<u>15,790</u>
Interest and dividends received	1	0	12
Interest paid	(8)	(18)	(79)
Income taxes paid	(886)	(350)	(7,829)
Net cash provided by operating activities	<u>893</u>	<u>218</u>	<u>7,894</u>
Cash flow from investing activities			
Repayment of deposits	6	3	55
Payment for purchase of investments in subsidiaries, net of cash acquired	-	(575)	-
Proceeds from acquisition of the shares of subsidiaries by exchange of shares	68	-	604
Additions to tangible assets	(1,995)	(953)	(17,632)
Proceeds from sales of fixed assets	32	20	290
Additions to intangible assets	(64)	(30)	(573)
Other payments	(23)	(45)	(210)
Other receipt	8	0	72
Net cash used in investing activities	<u>(1,968)</u>	<u>(1,581)</u>	<u>(17,393)</u>
Cash flow from financing activities			
decrease in short-term debt	(25)	187	(221)
Repayment of long-term debt	(884)	(695)	(7,464)
Proceeds from convertible notes with stock acquisition right	-	3,492	-
Redemption of convertible notes with stock acquisition right	(4)	-	(39)
Purchase of treasury stock	(346)	-	(3,065)
Proceeds from sales of treasury stock upon exercise of stock options	335	-	2,964
Dividends paid	(282)	(262)	(2,498)
Net cash used in financing activities	<u>(1,168)</u>	<u>2,721</u>	<u>(10,323)</u>
Effect of exchange rate changes on cash and cash equivalents	5	4	48
increase in cash and cash equivalents	<u>(2,238)</u>	<u>1,361</u>	<u>(19,773)</u>
Cash and cash equivalents at the beginning of year	<u>4,435</u>	<u>3,141</u>	<u>39,187</u>
Cash and cash equivalents at the end of year	<u><u>2,197</u></u>	<u><u>4,503</u></u>	<u><u>19,413</u></u>

U.S. dollar amounts represent translations using the approximate exchange rate on September 30,2005,of yen 113.19 = US\$1,and are included solely for the convenience of readers.