

Notice on Changes in Organization and Personnel in Connection with Implementation of Comprehensive Risk Management and Introduction of Cash Management System

March 29, 2005

Asahi Pretec Corporation is pleased to announce that the board of directors meeting on March 28, 2005 approved the following changes in our organization and personnel to implement comprehensive risk management and the introduction of cash management system for the Asahi Pretec Group at the same time. These changes will take effect on April 1, 2005.

1. Establishment of Risk Management Committee and Risk Management Office (effective April 1, 2005)

In order to properly control potential risks in the process of execution of the business and in the structure of business of our Group companies, the Risk Management Committee will be established as a corporate-wide, cross-organizational body. At the same time the Office of Risk Management will be established. The Risk Management Committee, which will, in principle, report directly to the board of directors, will operate in concert with the Environmental and Safety Management Department as well as the newly established Risk Management Office in grasping and assessing risks in our business activities and taking actions to deal with them. Focusing on compliance, we will prevent risks from materializing and provide underpinnings to our corporate governance in fulfilling our responsibility as a corporate citizen. In the future they will form a core unit to exercise our corporate social responsibility, integrating such functions as environmental management and corporate philanthropy. In addition, the Risk Management Office will take charge of internal audit operations, which has been undertaken by the Office of Internal Auditing. With the establishment of the Risk Management Office, the Office of Internal Auditing will be abolished.

2. Establishment of Corporate Planning Division (effective April 1, 2005)

The Corporate Planning Division will be established to exercise policy control over strategic and growth risks on the business portfolio level of our Group companies. As a staff organization reporting directly to top management, the Division will be responsible for formulating medium- and long-term business plans and development of new business through mergers and acquisitions. With the creation of the Corporate Planning Division, the Corporate Business Department which has been responsible for mergers and acquisitions strategy will be abolished.

3. Introduction of Cash Management System

We will introduce a cash management system in April this year, mainly from the standpoint of risk management, covering our Group companies subject to consolidated financial reporting. Under this system, such accounts as are set up by each of our Group companies and designated for CMS operation, will be linked together and by centralizing the day-to-day pooling of funds, confirming the cash status and formulating cash planning, we can automatically adjust the surplus or shortage of day-to-day cash positions. This system will make cash-related operations now being administered separately by each Group company simpler and more efficient and contribute to eliminating cash risks and contraction of consolidated total assets.

4. Personnel Changes (effective April 1, 2005)

The following personnel changes will accompany the changes in organization.

New Position	(Previous Position)	Continue in Office	Name
	(General Manager, Corporate Business Department)	Director, Finance and Administration. (concurrently, General Manager, Legal, Procurement and Administrative Services)	Tomoya Higashiura
▽ General Manager, Corporate Planning Division	(Special Assistant to President)		Noboru Akahane
▽ General Manager, Risk Management Office, Division of Finance and Administration	(Manager, Internal Auditing)		Kentaro Fukuzaki