

August 11, 2005

Pre-maturity redemption of the Swiss franc-denominated convertible debenture due to mature on September 30, 2008

On July 12, 2004, Asahi Pretec Corporation issued a Swiss franc-denominated convertible debenture worth 40 million Swiss francs, bearing the annual interest of 0.125% and with the maturity date of September 30, 2008. As of August 11, 2005, however, the share price of this company at the Tokyo Stock Exchange exceeded 120% of the conversion price of the said debenture for 30 consecutive trading days. Because of this and pursuant to that portion of the prospectus for issuing the said debenture which provides for a voluntary pre-mature redemption, the company has decided that the entire sum of the said convertible debenture outstanding as of September 30, 2005, will be redeemed with interest.

For your information, the effective conversion price as of today is ¥1,365; the closing price of this company's ordinary share on August 11, 2005, is ¥1,861; the initial fixed exchange rate as of today is ¥88.13 per Swiss franc; and the total face value of the convertible debenture as of August 10, 2005, is 35,300,000 Swiss francs.