

PRESS RELEASE (dated November 28, 2005)

Iyotec to Become Wholly Owned by Asahi Pretec

Asahi Pretec Corporation will make Iyotec Co., Ltd., its wholly owned subsidiary effective January 10, 2006, through a bilateral straight share swapping agreement. Iyotec specializes in dispatching human resources to corporations in various industrial segments.

The decision to that effect was contained in a resolution adopted by Asahi Pretec's Board of Directors on November 28, 2005, which also called for executing the share swapping agreement on the same date.

Details of the arrangement, as announced by Asahi Pretec, follow:

1. Purposes of swapping shares

(1) To strengthen and expand the customer base

Asahi Pretec has been seeking to expand its business primarily in the fields of recycling precious metals and protecting the environment, while Iyotec has established good track records of supplying human resources to production facilities of many outstanding companies in the chemical, machinery and other industries. By entering into the share swapping agreement with Iyotec, Asahi Pretec hopes to start providing its principal services to those outstanding companies which have been Iyotec's customers, which in turn will result in further expanding the customer base of the entire group.

(2) To further improve customer services

The growing business of dispatching human resources is likely to receive a further boost as relevant laws are expected to be amended in the near future expanding the job classifications for which such dispatch is permitted and easing restrictions on time limits for such dispatch. Iyotec has been supplying not only production workers but also engineers and general office staff. As Asahi Pretec has a wide variety of customers ranging from manufacturers in the information

technology industry to research and development facilities, hospitals and dental clinics, it is hoped that by combining its resources with those of Iyotec, the group companies will be able to expand and improve the services to better meet the needs of the customers for incremental human resources with high degrees of qualification.

2. Terms and conditions for swapping shares

(1) Schedule

November 28, 2005: A meeting of the Board of Directors to approve the execution of the share swapping agreement

November 28, 2005: Execution of the share swapping agreement

January 10, 2006 (tentative): Swapping of shares

Note: Under the terms of Article 38 Paragraph 1 of the Commercial Code which deals with straight share swapping, Asahi Pretec will implement the share swapping without seeking approval of the relevant agreement at a general meeting of its shareholders.

(2) Ratio of share swapping

	Asahi Pretec Corporation (100% parent company)	Iyotec Co., Ltd. (Wholly owned subsidiary)
Ratio of share swapping	1	850

Notes:

- (i) Ratio of share allocation: For each share of Iyotec Co., Ltd., 850 shares of Asahi Pretec Corporation will be allocated.
- (ii) Basis for calculating the ratio of share swapping: The Yoshino Certified Public Accountant Office, which is a neutral third party, was asked to calculate the appropriate ratio of share swapping between the two companies, and based on the calculation presented by that office, Asahi Pretec and Iyotec agreed on the above-mentioned ratio through mutual consultations.
- (iii) The results, methods and basis of calculation by the third party: In calculating the share swapping ratio, the Yoshino Certified Public Accountant Office applied to Asahi Pretec the market value standard method (the average closing price at the Tokyo Stock Exchange from August 26 through November 25, 2005), and

evaluated the share price of Iyotec through the market value net asset method and the income approach method.

- (iv) Number of shares to be issued in the share swapping: 170,000 ordinary shares of Asahi Pretec Corporation, all of which will come from the shares owned by the company and without issuing new shares.

(3) Monetary payment for share swapping: No money will be paid for the share swapping.

3. Outline of the parties to share swapping

1. Company name	Asahi Pretec Corporation (100% parent company)	Iyotec Co., Ltd. (wholly owned subsidiary)
2. Lines of business	Recycling of precious metals, environmental protection	Dispatching of workers to other corporations
3. Date of founding	April 20, 1964	December 20, 2000
4. Principal place of business	21 Uozaki Hama-cho, Nada-ku, Kobe City, Hyogo Prefecture	799-2 Higashi Futami, Futami-cho, Akashi City, Hyogo Prefecture
5. Name and title of the representative	Mitsuharu Terayama, Chairman and CEO	Takumasa Taniguchi, Representative Director and President
6. Stock capitalization	¥4,480 million (at the time of executing the share swapping agreement)	¥10 million (at the time of executing the share swapping agreement)
7. Total number of shares issued	24,169,563 (at the time of executing the share swapping agreement)	200 (at the time of executing the share swapping agreement)
8. Total assets	¥30,562 million (as of September 30, 2005)	¥253 million (projected as of September 30, 2005)
9. Shareholders' equity	¥24,992 million (as of September 30, 2005)	¥128 million (projected as of September 30, 2005)
10. Fiscal year ends on	March 31	September 30
11. Number of employees	702 (as of September 30, 2005)	316 (as of September 30, 2005)

12. Principal clients	Fuji Photo Film Co., Ltd., Mitsui & Co., Ltd., Sumisho Materials Ltd.	Taisei Industrial Co., Ltd Noritz Corporation. Naigai Rubber Industrial Co., Ltd
13. Major shareholders and percentages of shares held by them (as of September 30, 2005)	Mitsuharu Terayama 10.49% Masamichi Terayama 9.22% Japan Trustee Services Bank, Ltd. 4.12%	Takumasa Taniguchi 100.00%

14. Corporate performance figures for the three most recent fiscal years: (in ¥1,000,000)
Asahi Pretec Corporation (100% parent company)

Fiscal year ending	March 2004	March 2005	March 2006 (projections)
Gross sales	34,125	43,292	50,900
Recurring profit	2,118	3,014	4,000
Net profit	961	1,629	2,000

Iyotec Co., Ltd. (wholly owned subsidiary)

Fiscal year ending	September 2003	September 2004	September 2005 (projections)
Gross sales	341	563	740
Recurring profit	36	67	94
Net profit	21	39	56

4. Situations following the share swapping

- (1) There will be no change in the company names, lines of business or principal places of business of the two companies or in the representative of this company from what are described in “3. Outline of the parties to share swapping” above.
- (2) The share capitalization of neither company will increase as a result of this share swapping.
- (3) This share swapping will result in no change in the tenures of office of the

directors and auditors of this company who took office prior to the date of share swapping.

- (4) The share swapping is expected to have little or no impact on the consolidated performance of this company for the fiscal year ending in March 2006 because the swapping is scheduled to take effect only on January 10, 2006, and also because the scale of lyotec's business is much smaller compared with that of this company. In the medium to long term, however, we believe this share swapping will contribute to expanding the group companies' business activities with a broader customer base and improved services to customers.