

July 20, 2006

Member of Financial Accounting Standards Foundation

## Summary of Consolidated Financial Results for the first quarter of Fiscal 2006

Asahi Pretec Corp. (Securities No. 5855, Tokyo Stock Exchange first section)

(URL <http://www.asahipretec.com>)

CEO & COO: Mitsuharu Terayama

For information, contact: Yukio Tanabe, General Manager of the Finance and Accounting Division

(Phone: +81-78-333-5600)

### 1. Matters associated with the preparation of the financial results

(1) Simple accounting procedures have been used.

The simple accounting procedures have been used partially in the reserve accruing accounting.

The tax costs on the consolidated financial statement are calculated by using the effective tax rates for the current fiscal year.

(2) There has been no change in the accounting procedures from those applied in the latest consolidated accounting year.

(3) There has been no change in the scope of consolidation and equity method affiliates.

### 2. Consolidated results for the first quarter of the year ended March 31, 2007

(From April 1, 2006 to June 30, 2006)

(1) Consolidated operating results

(Rounded off to millions of yen)

	Sales		Operating income		Recurring income	
	Millions of yen	(%)	Million of yen	(%)	Millions of yen	(%)
First Quarter of FY2006	22,559	(73.4)	2,586	(135.9)	2,594	(137.3)
First Quarter of FY2005	13,012	(22.8)	1,096	(35.8)	1,093	(35.8)
FY2005 (for reference)	62,372		5,563		5,561	

	Net income for the first quarter		Net income per share for the first quarter	Diluted net income per share
	Millions of yen	(%)		
First Quarter of FY2006	1,570	(147.2)	¥65.86	¥65.75
First Quarter of FY2005	635	(33.5)	¥30.65	¥29.35
FY2005 (for reference)	3,272		¥145.72	¥138.20

Note: The percentage figures in sales, operating income and recurring income represent increases or decreases compared with those of the corresponding period of the previous fiscal year.

## [Background information on the consolidated operating results]

With respect to the precious metal recycling segment of our operations during the first quarter of the current fiscal year, i.e., April 1 through June 30, 2006, there was an increase in the amount of precious and rare metals collected and recovered from electronic materials, dental materials, and jewelry processing and production compared with the corresponding period of the previous year. The average unit selling prices of gold, silver, palladium platinum and indium exceeded the levels of the previous year.

With respect to the environmental protection segment, in the field of photo-sensitized materials which falls under the environmental protection business, both the disposal of photo liquid wastes and collection of silver from them decreased from the comparable period of the previous year, but the Company handled larger quantities of chemical reagent and other waste liquid emitted from factories and research institutions.

As a result, the sales during the first quarter of the fiscal year reached ¥22,559 million, the operating income ¥2,586 million, the recurring income ¥2,594 million and the net income ¥1,570 million.

## [The following statistics are for your information]

Non-consolidated operating results for the first quarter (From April 1, 2006 to June 30, 2006)

	Sales		Operating income		Recurring income	
	Millions of yen	(%)	Millions of yen	(%)	Millions of yen	(%)
First Quarter of FY2006	20,942	(76.5)	2,439	(137.5)	2,454	(139.6)
First Quarter of FY2005	11,865	(22.3)	1,027	(46.9)	1,024	(45.4)
FY2005 (for reference)	57,064		5,048		5,012	

	Net income for first three quarters	
	Millions of yen	(%)
First Quarter of FY2006	1,453	(145.8)
First Quarter of FY2005	591	(41.4)
FY2005 (for reference)	2,843	

Note: The percentage figures in sales, operating income, recurring income and net income represent increases or decreases compared with those of the corresponding period of the previous year.

## (2) Changes in the consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	
First Quarter of FY2006	37,235	28,571	76.7	¥1,197.06
First Quarter of FY2005	30,769	21,774	70.8	¥1,051.33
FY2005 (for reference)	36,465	27,422	75.2	¥1,150.69

### 3. Forecast for the consolidated operating results of the fiscal year ending March 31, 2007

	Sales	Ordinary income	Net income
	Millions of Yen	Millions of Yen	Millions of Yen
Interim	42,000	4,400	2,600
Full year	82,000	8,200	4,900

(Reference) Forecasted net income per share (full year): ¥205.51

(Notice in the use of forecasted operating results)

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.

**1. Financial results for the three months ended June 30, 2006**

## (1) Consolidated operating results

[ Rounded off to millions of yen ]

	The three months ended June 30, 2006		The three months ended June 30, 2005		The fiscal year ended March 31, 2006
	Millions of yen	%	Millions of yen	%	Millions of yen
Sales	22,559	73.4	13,012	22.8	62,372
Operating income	2,586	135.9	1,096	35.8	5,563
Ordinary income	2,594	137.3	1,093	35.8	5,561
Net income	1,570	147.2	635	33.5	3,272
Net income per share - basic (yen)	65.86		30.65		145.72
Net income per share - diluted (yen)	65.75		29.35		138.20

(Notes) Regarding sales, operating income, ordinary income and net income, the % figures show percentage of changes from the corresponding period of the preceding year.

## (2) Consolidated financial position

	The three months ended June 30, 2006	The three months ended June 30, 2005	The fiscal year ended March 31, 2006
Total assets (Millions of yen)	37,235	30,769	36,465
Net assets (Millions of yen)	28,571	21,774	27,422
Capital adequacy ratio (%)	76.7	70.8	75.2
Net assets per share (yen)	1,197.06	1,051.33	1,150.69

(Notes)

## 1. Adoption of simplified accounting method: Applicable

Simplified method is adopted in calculation for reserve liabilities. Estimated tax rate is used for the calculation of tax of the subsidiaries on their financial statements

## 2. Changes in accounting method: None

## 3. Changes in scope of consolidated and equity subsidiaries: None

Number of consolidated companies addition: - exclusion: -

**2. Forecast for the fiscal year ending March 31, 2007**

	Interim Period	Entire year
Sales (Millions of yen)	42,000	82,000
Ordinary income (Millions of yen)	4,400	8,200
Net income (Millions of yen)	2,600	4,900
Forecasted net income per share (yen)		205.51

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 (SUMMARY)**

At June 30, 2006 and 2005

	2006		2005		2006	
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars	
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	888		2,226		7,708	
Notes and accounts receivable	3,115		2,230		27,034	
Inventories	12,104		5,133		105,039	
Other current assets	764		544		6,630	
Less: allowance for doubtful accounts	(6)		(5)		(54)	
Total current assets	16,866	45.3	10,168	33.0	146,358	
Fixed assets						
Tangible assets	19,597		19,484		170,054	
Intangible assets	331		685		2,880	
Investment and other assets	440		430		3,821	
Total fixed assets	20,369	54.7	20,600	67.0	176,756	
Total assets	37,235	100.0	30,769	100.0	323,114	
<b>LIABILITIES</b>						
Current liabilities						
Notes and accounts payable	2,594		1,617		22,512	
Short-term loans	2,750		850		23,863	
Current portion of long-term debt	339		543		2,942	
Accrued income taxes	1,057		467		9,175	
Accrued bonus	333		269		2,890	
Accrued directors' bonus	-		-		-	
Other current liabilities	1,122		1,010		9,740	
Total current liabilities	8,196	22.0	4,757	15.4	71,124	
Long-term liabilities						
Convertible notes with stock acquisition rights	-		3,492		-	
Long-term debt	40		379		350	
Accrued retirement benefit	68		70		592	
Accrued directors' retirement benefit	161		161		1,398	
Other long-term liabilities	198		111		1,721	
Total long-term liabilities	468	1.3	4,214	13.7	4,062	
Total liabilities	8,664	23.3	8,971	29.1	75,187	
<b>MINORITY INTERESTS</b>						
	-	-	22	0.1	-	
<b>SHAREHOLDERS' EQUITY</b>						
Common stock	-	-	2,737	8.9	-	
Capital surplus	-	-	4,636	15.1	-	
Retained earnings	-	-	15,342	49.8	-	
Unrealized gain on securities	-	-	4	0.0	-	
Foreign currency translation adjustments	-	-	(41)	(0.1)	-	
Less: Treasury stock	-	-	(904)	(2.9)	-	
Total shareholders' equity	-	-	21,774	70.8	-	
Total liabilities, minority interests and shareholders' equity	-	-	30,769	100.0	-	

	<u>2006</u>		<u>2005</u>		<u>2006</u>
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
<u>NET ASSETS</u>					
Common stock	4,480		-		38,882
Capital surplus	6,054		-		52,534
Retained earnings	18,413		-		159,787
Less: Treasury stock	(419)		-		(3,636)
Shareholders' equity	<u>28,529</u>	<u>76.6</u>	<u>-</u>	<u>-</u>	<u>247,568</u>
Unrealized gain on securities	2		-		20
Deferred losses on hedges	22		-		193
Foreign currency translation adjustments	(10)		-		(86)
Valuation and translation adjustments	<u>14</u>	<u>0.0</u>	<u>-</u>	<u>-</u>	<u>126</u>
<u>MINORITY INTERESTS</u>	<u>26</u>	<u>0.1</u>	<u>-</u>	<u>-</u>	<u>231</u>
<u>TOTAL NET ASSETS</u>	<u>28,571</u>	<u>76.7</u>	<u>-</u>	<u>-</u>	<u>247,927</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>37,235</u>	<u>100.0</u>	<u>-</u>	<u>-</u>	<u>323,114</u>

**Asahi Pretec Corp. and Consolidated Subsidiaries**  
**CONSOLIDATED STATEMENTS OF INCOME (SUMMARY)**  
**For the three months ended June 30 , 2006 and 2005**

	2006		2005		2006
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
Sales	22,559	100.0	13,012	100.0	195,760
Cost of sales	19,126	84.8	11,169	85.8	165,972
Gross profit	3,432	15.2	1,843	14.2	29,788
Selling, general and administrative expenses	846	3.7	746	5.8	7,343
Operating Income	2,586	11.5	1,096	8.4	22,445
Non-operating profits	12	0.0	7	0.1	107
Non-operating expenses	4	0.0	11	0.1	41
Ordinary income	2,594	11.5	1,093	8.4	22,510
Special gains	5	0.0	5	0.0	49
Special losses	6	0.0	21	0.1	59
Net income before tax and other adjustments	2,592	11.5	1,076	8.3	22,500
Income taxes	1,021	4.5	440	3.4	8,864
Minority interests in earnings of consolidated subsidiaries	1	0.0	0	0.0	11
Net income	1,570	7.0	635	4.9	13,625

U.S. dollar amounts represent translations using the approximate exchange rate on June 30,2006 of 115.24yen=US\$1,and are included solely for the convenience of readers.