

January 30, 2009

ASAHI PRETEC CORP.  
Representative: Mitsuharu Terayama,  
CEO and COO

### Message to all shareholders

The company announced today the fiscal third quarterly results for FY2008 (April 1, 2008 to December 31, 2008), and then revised its consolidated forecast for the full year for FY2008 (April 1, 2008 to March 31, 2009). Please note that the final results for full fiscal year would also be affected by the year-end revaluation of the inventories followed by the application of the lower of cost or market method depending on the metal prices as of the end of March, 2009.

With the exception of the start-up period, we are going through a deficit on a full-year basis for the first time of the company's history. We apologize to all shareholders for this current revision of forecast on such a significant scale.

The reasons for the under-performance of earnings for the current fiscal year are as follows: 1) sharp falls in the prices for all the metals the company deals with, 2) execution of the economic hedging to cover the market exposure to the metals was not fully effective due to the sharp falls in metal prices and in addition, the hedging operation is not applicable to Rhodium and Indium, the prices of which have also fallen sharply. The reasons for our having revised the previous forecast are as follows: 1) continuous metal price falls even after the end of the fiscal second quarterly period, 2) reduction in collection volume of raw metal material and industrial waste beyond expectations from the fiscal third quarterly period as a result of shrinking production activities in almost all our client industries.

To achieve a profit recovery for the future, we are planning: 1) to severely examine profitability on a transaction basis, 2) to enhance hedging effectiveness, 3) to reduce base remuneration for directors by 10 to 50% besides a zero end-of-year bonus rate for directors and executives, 4) to postpone or cancel some capital spending projects, 5) to conduct a comprehensive cost-cutting review.

The economic situation remains critical. Although we expect the business environment to continue to be severe for a few years to come, we are aiming for a V-shaped business recovery in the fiscal years ahead based on an assumption that the huge loss on the inventories by the revaluation using the lower of cost or market method that will have had a significant impact on the estimated deficit for the current fiscal year, would not be repeated in the future if the metal prices will be stabilized. From this perspective, we intend to maintain an annual dividend at the rate of 50 yen per share for the current fiscal year, and continue an annual dividend of 50 yen per share as long as the company achieves its earnings target in the coming fiscal years.

We plan to release the 5th medium-term management plan with a mid-term earnings target in late March this year. All directors, executives and employees of the company will work together in line with the management plan and make every effort possible to confront the present difficulties. We appreciate shareholders' on-going support.