

Asahi Pretec Corp. Flash Report (Consolidated Basis)

Asahi Pretec Corp.(Securities No.5855, Tokyo Stock Exchange first section)
(URL <http://www.asahipretec.com>)

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1. Consolidated results for the year ended March 31, 2008

(1) Consolidated operating results

[Rounded off to millions of yen]

	the fiscal year ended March 31, 2008	the fiscal year ended March 31, 2007
Net sales (Millions of yen)	117,460	97,623
Operating income (Millions of yen)	10,825	9,577
Ordinary income (Millions of yen)	10,858	9,573
Net income (Millions of yen)	6,450	5,720
Net income per share - basic (Yen)	180.93	159.91
Net income per share - diluted (Yen)	180.77	159.69
Return on equity (%)	20.2	19.3
Ratio of ordinary income to total assets (%)	22.3	24.5
Ratio of ordinary income to net sales (%)	9.2	9.8

Note: 1. Equity in earnings of unconsolidated subsidiaries and affiliates: None

2. Asahi Pretec Corporation ("the Company") carried out a 1.5-to-1 stock split with effect on October 1, 2006. The per share information for the fiscal year ended in March, 2007 reflects the stock split assuming that the above stock split was exercised on the beginning of the previous fiscal year ended in March, 2007.

(2) Consolidated financial position

	the fiscal year ended March 31, 2008	the fiscal year ended March 31, 2007
Total assets (Millions of yen)	55,618	41,746
Shareholder's equity (Millions of yen)	32,000	31,994
Equity ratio (%)	57.5	76.6
Net assets per share (Yen)	935.05	893.27

Note: 1. Equity capital (millions of yen)

Fiscal year ended March 31, 2008: 31,966 Fiscal year ended March 31, 2007: 31,964

2. The Company carried out a 1.5-to-1 stock split with effect on October 1, 2006. The per share information for the fiscal year ended in March, 2007 reflects the stock split assuming that the above stock split was exercised on the beginning of the previous fiscal year ended in March, 2007.

(3) Consolidated cash flows

	the fiscal year ended March 31, 2008	the fiscal year ended March 31, 2007
Operating activities (Millions of yen)	878	4,281
Investing activities (Millions of yen)	4,147	3,325
Financing activities (Millions of yen)	5,380	1,052
Cash and cash equivalents at the end of fiscal year (Millions of yen)	2,054	1,491

2. Dividends

	the fiscal year ended March 31, 2008	the fiscal year ended March 31, 2007	the fiscal year ended March31, 2009 [forecast]
Dividends per share			
-Interim dividend(Yen)	25.00	30.00	25.00
-Year -end dividend(Yen)	25.00	25.00	30.00
-Annual dividend(Yen)	50.00	55.00	55.00
Total dividend [annual] (Millions of yen)	1,759	1,610	1,880
Dividend ratio [consolidated] (%)	27.6	28.1	26.9
Net assets dividend rate[consolidated](%)	5.5	5.4	5.5

Note: The Company carried out a 1.5-to-1 stock split with effect on October 1, 2006. The dividends per share for the fiscal year ended in March, 2007 should be ¥45 (¥20 at the interim period) assuming that the stock split was exercised on the beginning of the previous fiscal year ended in March, 2007.

3. Forecast for the fiscal year ending March 31, 2009 (From April 1, 2008 to March 31, 2009)

	1st half	Full year
Net sales (Millions of yen)	60,000 (10.3%)	130,000 (10.7%)
Operating income(Millions of yen)	5,500 (10.0%)	12,000 (10.8%)
Ordinary income (Millions of yen)	5,500 (9.1%)	12,000 (10.5%)
Net income (Millions of yen)	3,200 (8.1%)	7,000 (8.5%)
Forecasted net income per share (Yen)	93.60	204.75

Notes: Above percentage terms in 1st half and full year are the percentage change from previous half and the percentage change from previous year, respectively.

(Notice for the use of the forecasts, and other instructions)

The financial forecasts stated above are based on currently available information and may change depending on the fluctuation of the price of the precious metal and other factors.

May 12, 2008

CONSOLIDATED BALANCE SHEET

At March 31, 2008 and 2007

	2008		2007		2008
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
ASSETS					
Current assets					
Cash and cash equivalents	2,054		1,491		20,506
Notes and accounts receivable	4,858		3,371		48,494
Inventories	21,251		14,217		212,109
Deferred tax assets	726		521		7,248
Other current assets	2,045		215		20,417
Less: allowance for doubtful accounts	(7)		(4)		(77)
Total current assets	30,928	55.6	19,813	47.5	308,697
Fixed assets					
Tangible assets					
Buildings and structures	7,091		6,305		70,777
Machinery and carriers	4,278		3,316		42,702
Land	9,817		9,339		97,991
Construction in progress	602		1,481		6,018
Other tangible assets	481		569		4,811
Total tangible assets	22,272	40.0	21,013	50.3	222,299
Intangible assets					
Goodwill	1,621		-		16,186
Other intangible assets	269		308		2,686
Total intangible assets	1,890	3.4	308	0.7	18,871
Investment and other assets					
Investment securities	48		138		481
Deferred tax assets	88		46		881
Other investment and other assets	399		437		3,987
Less: allowance for doubtful accounts	(8)		(10)		(82)
Total investment and other assets	527	1.0	611	1.5	5,268
Total fixed assets	24,690	44.4	21,932	52.5	246,438
Total assets	55,618	100.0	41,746	100.0	555,135
LIABILITIES					
Current liabilities					
Notes and accounts payable	3,102		2,354		30,962
Short-term loans	15,550		2,250		155,205
Current portion of long-term debt	14		20		143
Accounts payable-other	1,009		1,142		10,076
Accrued income taxes	2,447		2,683		24,426
Accrued bonus	662		624		6,610
Accrued director's bonus	40		25		399
Provision for repairs	96		-		966
Other current liabilities	465		440		4,650
Total current liabilities	23,388	42.1	9,540	22.9	233,437
Long-term liabilities					
Long-term debt	10		25		107
Accrued retirement benefit	104		62		1,046
Deferred tax liabilities	110		110		1,099
Negative goodwill	-		12		-
Other Long-term liabilities	4		-		50
Total long-term liabilities	230	0.4	210	0.5	2,302
Total liabilities	23,618	42.5	9,751	23.4	235,738

May 12, 2008

	2008		2007		2008
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
<u>NET ASSETS</u>					
Common stock	4,480	8.1	4,480	10.7	44,723
Capital surplus	6,869	12.3	6,054	14.5	68,568
Retained earnings	26,496	47.6	21,844	52.3	264,461
Less: Treasury stock	(5,896)	(10.6)	(419)	(1.0)	(58,850)
Shareholder's equity	31,950	57.4	31,960	76.5	318,902
Unrealized gain on securities	0	0.0	3	0.0	5
Foreign currency translation adjustments	15	0.0	0	0.0	157
Valuation and translation adjustments	16	0.0	4	0.0	162
<u>MINORITY INTERESTS</u>	33	0.1	29	0.1	333
<u>TOTAL NET ASSETS</u>	32,000	57.5	31,994	76.6	319,397
<u>TOTAL LIABILITIES AND NET ASSETS</u>	55,618	100.0	41,746	100.0	555,135

U.S. dollar amounts represent translations using the approximate exchange rate on March 31, 2008 of yen 100.19 = US\$1, and are included solely for the convenience of readers.

May 12, 2008

CONSOLIDATED STATEMENTS OF INCOME

Years ended March 31, 2008 and 2007

	2008		2007		2008
	Millions of yen	%	Millions of yen	%	Thousands of U.S.dollars
Net sales	117,460	100.0	97,623	100.0	1,172,376
Cost of sales	102,614	87.4	84,680	86.7	1,024,198
Gross profit	14,845	12.6	12,943	13.3	148,178
Selling, general and administrative expenses	4,020	3.4	3,365	3.5	40,125
Operating Income	10,825	9.2	9,577	9.8	108,054
Non-operating profits	126	0.1	39	0.0	1,261
Non-operating expenses	93	0.1	42	0.0	937
Ordinary income	10,858	9.2	9,573	9.8	108,378
Special gains	20	0.0	41	0.0	201
Special losses	319	0.2	256	0.2	3,194
Net income before tax and other adjustments	10,558	9.0	9,358	9.6	105,385
Income taxes	4,296	3.7	3,681	3.8	42,883
Deferred tax	(191)	(0.2)	(48)	(0.1)	(1,916)
Minority interests in earnings of consolidated subsidiaries	3	0.0	4	0.0	35
Net income	6,450	5.5	5,720	5.9	64,384

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May 12, 2008

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Prior Period (from April 1, 2006 to March 31, 2007)

(Millions of yen)

	Owner's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at March 31, 2006	4,480	6,054	17,323	(433)	27,424
Dividends from retained earnings			(1,192)		(1,192)
Net income			5,720		5,720
Purchase of treasury stock				(16)	(16)
Gain on sales of treasury stock			(6)	30	23
Decrease of items during the period except those included in owner's equity					
Total increase (decrease) of the above Items during the period	—	—	4,521	13	4,535
Balance at March 31, 2007	4,480	6,054	21,844	(419)	31,960

	Valuation and translation adjustments			Minority interests	Total net assets
	Net unrealized gain on available-for-sale securities	Cumulative translation adjustments	Total valuation and translation adjustments		
Balance at March 31, 2006	8	(10)	(2)	25	27,447
Dividends from retained earnings					(1,192)
Net income					5,720
Purchase of treasury stock					(16)
Gain on sales of treasury stock					23
Decrease of items during the period except those included in owner's equity	(4)	11	7	4	11
Total increase (decrease) of the above Items during the period	(4)	11	7	4	4,547
Balance at March 31, 2007	3	0	4	29	31,994

May 12, 2008

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Current Period (from April 1, 2007 to March 31, 2008)

(Millions of yen)

	Owner's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at March 31,2007	4,480	6,054	21,844	(419)	31,960
Dividends from retained earnings			(1,799)		(1,799)
Net income			6,450		6,450
Purchase of treasury stock				(5,859)	(5,859)
Gain on sales of treasury stock		815		382	1,198
Decrease of items during the period except those included in owner's equity					
Total increase (decrease) of the above Items during the period	—	815	4,651	(5,476)	(9)
Balance at March 31, 2008	4,480	6,869	26,496	(5,896)	31,950

	Valuation and translation adjustments			Minority interests	Total net assets
	Net unrealized gain on available-for-sale securities	Cumulative translation adjustments	Total valuation and translation adjustments		
Balance at March 31,2007	3	0	4	29	31,994
Dividends from retained earnings					(1,799)
Net income					6,450
Purchase of treasury stock					(5,859)
Gain on sales of treasury stock					1,198
Decrease of items during the period except those included in owner's equity	(3)	14	11	3	14
Total increase (decrease) of the above Items during the period	(3)	14	11	3	5
Balance at March 31, 2008	0	15	16	33	32,000

May 12, 2008

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended March 31, 2008 and 2007

	2008	2007	2008
	Millions of yen	Millions of yen	Thousands of U.S.dollars
Cash flow from operating activities			
Net income before tax and other adjustments	10,558	9,358	105,385
Depreciation and amortization	1,956	1,578	19,531
Amortization of goodwill	161	-	1,612
Amortization of negative goodwill	(53)	-	(534)
Provision of accrued retirement benefits	42	7	420
Interest and dividend income	(6)	(3)	(66)
Interest expenses	47	18	474
Net loss on disposal or sales of fixed assets	209	219	2,096
Loss on valuation of investment securities	90	-	903
Loss (gain) on sales of investment securities, net	-	(3)	-
(Increase) decrease in notes and accounts receivable	(1,383)	360	(13,809)
Increase in inventories	(7,000)	(4,088)	(69,875)
Increase (decrease) in notes and accounts payable	746	(645)	7,450
Increase in tax and other liabilities	136	10	1,367
Other	(1,783)	100	(17,801)
Sub-total	<u>3,722</u>	<u>6,911</u>	<u>37,154</u>
Interest and dividends received	6	2	69
Interest paid	(51)	(19)	(518)
Income taxes paid	<u>(4,555)</u>	<u>(2,614)</u>	<u>(45,469)</u>
Net cash provided by operating activities	(878)	4,281	(8,764)
Cash flow from investing activities			
Repayment of deposits	44	59	441
Additions to tangible assets	(1,969)	(2,987)	(19,654)
Proceeds from sales of fixed assets	81	98	817
Additions to intangible assets	(75)	(129)	(749)
Payments for transfer of business	(2,150)	-	(21,468)
Other payments	(93)	(385)	(934)
Other receipt	14	19	148
Net cash used in investing activities	<u>(4,147)</u>	<u>(3,325)</u>	<u>(41,399)</u>
Cash flow from financing activities			
Increase in short-term debt	13,300	600	132,748
Repayment of long-term debt	(267)	(468)	(2,672)
Purchase of treasury stock	(5,859)	(16)	(58,479)
Proceeds from sales of treasury stock upon exercise of stock	5	23	51
Dividends paid	(1,797)	(1,190)	(17,941)
Net cash used in financing activities	<u>5,380</u>	<u>(1,052)</u>	<u>53,707</u>
Effect of exchange rate changes on cash and cash	24	3	246
Increase(decrease) in cash and cash equivalents	<u>379</u>	<u>(92)</u>	<u>3,789</u>
Cash and cash equivalents at the beginning of year	<u>1,491</u>	<u>1,584</u>	<u>14,891</u>
Increase in cash and cash equivalents by share exchanges	182	-	1,825
Cash and cash equivalents at the end of year	<u>2,054</u>	<u>1,491</u>	<u>20,506</u>

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