

July 20, 2005



First Quarter Financial Results Ended June 30, 2005 For the Fiscal Year Ending March 31, 2006

JAPAN PURE CHEMICAL CO., LTD.

Code No. : 4973
 URL : <http://www.netjpc.com>
 Stock Exchange Listed : Tokyo Stock Exchange-First Section
 Corporate Headquarters : 3-10-18 Kitamachi, Nerima-ku, Tokyo Japan
 Representative : Masao Watanabe, President
 Investor Relations : Kaoru Uchida, General Manager,
 Corporate Planning Division /Tel +81-3- 3550-1048

1. Financial Results for the Fiscal 2006 First Quarter (April 1, 2005 – June 30, 2005)

(1) Results of Operations

(Note: amounts less than one million yen have been disregarded)

	Sales		Operating Income		Ordinary Income		Net Income	
	(million yen)		(million yen)		(million yen)		(million yen)	
Three months ended June 30, 2005	1,540	5.8%	352	18.9%	354	19.2%	213	20.7%
Three months ended June 30, 2004	1,456	48.2%	296	32.9%	297	33.1%	177	37.6%
Year ended March 31, 2005	5,500	15.7%	1,255	15.0%	1,249	19.1%	744	21.3%

	Net Income Per Share	Diluted Net Income Per Share
	(yen)	(yen)
Three months ended June 30, 2005	6,943.78	6,871.76
Three months ended June 30, 2004	5,751.74	5,687.82
Year ended March 31, 2005	23,370.35	23,132.09

Note: Percentages above represent year on year changes over the same period last year unless otherwise stated.

Review of Operations

During the first quarter of this fiscal year, orders from electronics parts companies recovered after bottoming out in the previous quarter, and factors such as a switch to lead-free flexible printed circuit boards and growth in flip chip packages with more advanced functions increased demand for chemicals for precious-metal plating. Orders from flexible printed circuit boards manufacturers and Taiwanese package manufacturers were especially strong. Sales were 1,540,374 thousand yen (up 5.8% from the same quarter the previous year). Operating income was 352,946 thousand yen (up 18.9%), ordinary income was 354,177 thousand yen (up 19.2%), and net income was 213,868 thousand yen (up 20.7%). Sales and income marked record highs in quarterly basis.

(2) Financial Condition

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity Per Share
	(million yen)	(million yen)	(%)	(yen)
June 30, 2005	4,331	3,686	85.1 %	119,696.44
June 30, 2004	3,647	3,079	84.4 %	99,998.63
March 31, 2005	4,519	3,590	79.4 %	115,752.67

Notes : Number of shares outstanding at the end of period
 June 30, 2005 : 30,800 shares
 June 30, 2004 : 30,800 shares
 March 31, 2005 : 30,800 shares

Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash & Cash Equivalents at End of Period
	(million yen)	(million yen)	(million yen)	(million yen)
Three months ended June 30, 2005	-130	-69	-92	2,205
Three months ended June 30, 2004	50	-40	-53	1,770
Year ended March 31, 2005	1,137	-335	-119	2,497

Net cash used in operating activities during the quarter was 130 million yen. While income before tax expenses of 354 million yen and depreciation of 24 million yen increased cash inflows, trade receivables amounting to 135 million yen and income tax payments of 380 million yen resulted in the cash outflows.

Net cash used in investing activities was 69 million yen, due to a 63 million yen payment for equipment which had been acquired at the end of the fiscal year ended March 31, 2005.

Net cash used in financial activities was 92 million yen, due to a dividend payment.

As a result, the balance of cash and cash equivalents at the end of the quarter was 292 million yen less than at the end of the fiscal year ended March 31, 2005.

2. Financial Forecasts for the Fiscal Year Ending March 31, 2006 (April 1, 2005 – March 31, 2006)

	Sales	Ordinary Income	Net Income
	(million yen)	(million yen)	(million yen)
Six months ending September 30, 2005	2,870	660	400
Year ending March 31, 2006	6,000	1,375	820

(Reference) Expected Net Income per Share: ¥26,623.38

The forecast for the fiscal year ending March 31, 2006, remains unchanged from the forecast on April 20, 2005

While statements in these reports regarding the next fiscal year and other future events are evaluations made based upon the information available at the time these reports were prepared, they contain risk items and uncertainties. Accordingly actual results may vary significantly from the forecast results stated here for a number of reasons.
 Amounts less than one million yen have been disregarded.

Balance Sheet (Summary)

(Thousands of yen)

Category	Current First Quarter (June 30, 2005)	Previous First Quarter (June 30, 2004)	Year-on-Year Comparison		Previous Fiscal Year (March 31, 2005)
	Amount	Amount	Amount	%	
(ASSETS)					
Current assets					
Cash and deposits	2,405,870	1,971,134	434,736	22.1	2,698,301
Accounts receivable	1,137,925	1,126,936	10,989	1.0	1,002,112
Inventories	173,240	178,809	-5,568	-3.1	160,523
Others	26,129	34,518	-8,388	-24.3	55,489
Total Current Assets	3,743,167	3,311,397	431,769	13.0	3,916,426
Fixed assets					
Tangible fixed assets	156,697	114,045	42,651	37.4	176,775
Intangible Fixed Assets	54,957	62,850	-7,893	-12.6	54,561
Investments and Other Assets	376,265	158,795	217,469	136.9	372,216
Total Fixed Assets	587,920	335,692	252,227	75.1	603,553
Total Assets	4,331,087	3,647,090	683,997	18.8	4,519,979
(LIABILITIES)					
Current liabilities					
Purchase liabilities	284,526	237,714	46,812	19.7	261,333
Income tax payable	123,043	114,328	8,714	7.6	390,000
Others	105,231	114,013	-8,781	-7.7	153,390
Total Current Liabilities	512,801	466,056	46,745	10.0	804,723
Fixed liabilities					
Reserve for Director's retirement benefits for service	131,635	101,075	30,559	30.2	125,074
Total Fixed Liabilities	131,635	101,075	30,559	30.2	125,074
Total Liabilities	644,436	567,132	77,304	13.6	929,797
(SHAREHOLDERS EQUITY)					
Total Shareholders' Equity	3,686,650	3,079,958	606,692	19.7	3,590,182
Total Liabilities and Shareholders' Equity	4,331,087	3,647,090	683,997	18.8	4,519,979

Profit & Loss Statement (Summary)

(Thousands of yen)

Category	Current First Quarter (Three months ended June 30, 2005)	Previous First Quarter (Three months ended June 30, 2004)	Year-on-Year Comparison		Previous Fiscal Year (Year ended March 31, 2005)
	Amount	Amount	Amount	%	Amount
Sales	1,540,374	1,456,125	84,249	5.8	5,500,642
Cost of sales	976,552	966,120	10,431	1.1	3,469,530
Gross profit	563,821	490,004	73,817	15.1	2,031,112
Selling, general and administrative expenses	210,875	193,233	17,642	9.1	776,069
Operating income	352,946	296,771	56,174	18.9	1,255,043
Non-operating income	1,472	1,256	216	17.2	1,834
Non-operating expenses	241	785	-544	-69.3	7,643
Ordinary income	354,177	297,242	56,935	19.2	1,249,233
Extraordinary income	0	917	-917		1,434
Extraordinary losses	0	757	-757		2,375
Income before tax expenses	354,177	297,402	56,774	19.1	1,248,293
Tax expenses	140,309	120,249	20,060	16.7	503,486
Net income	213,868	177,153	36,714	20.7	744,806

Cash flow statement (Summary)

(Thousands of yen)

	Current First Quarter (Three months ended June 30, 2005)	Previous First Quarter (Three months ended June 30, 2004)	Previous Fiscal Year (Year ended March 31, 2005)
Category	Amount	Amount	Amount
Cash flow from operating activities			
Income before tax expenses	354,177	297,402	1,248,293
Depreciation expenses	24,816	20,040	76,936
Increase/decrease in accounts receivable (minus = increase)	-135,830	-79,331	45,509
Others	5,283	-32,016	39,923
Sub Total	248,446	206,094	1,410,661
Income taxes paid	-380,333	-157,025	-274,545
Others	1,369	1,151	1,556
Cash flow from operating activities	-130,517	50,220	1,137,672
Cash flow from investing activities			
Expenditures for acquisition of tangible fixed assets	-67,738	-22,367	-56,589
Expenditures for acquisition of intangible fixed assets	-396	-18,050	-55,300
Expenditures for acquisition of investment securities	-1,009	-196	-222,343
Others	-369		-1,553
Cash flow from investing activities	-69,513	-40,614	-335,786
Cash flow from financing activities			
Dividend payments	-92,400	-53,900	-115,500
Others			-3,513
Cash flow from financing activities	-92,400	-53,900	-119,013
Increase in cash and cash equivalents	-292,430	-44,293	682,873
Balance of cash and cash equivalents at beginning of the period	2,497,505	1,814,632	1,814,632
Balance of cash and cash equivalents at end of the period	2,205,075	1,770,338	2,497,506