

January 20, 2006



Third Quarter Financial Results Ended Dec. 31, 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 Third Quarter (April 1, 2005 – Dec. 31, 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)	
Nine months ended Dec. 31, 2005	5,302	24.9%	1,454	54.4%	1,455	55.1%	871	55.2%
Nine months ended Dec. 31, 2004	4,245	23.8%	941	17.7%	938	18.4%	561	24.4%
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)
Nine months ended Dec. 31, 2005	28,127.71	27,853.26
Nine months ended Dec. 31, 2004	18,242.57	18,059.84
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

In this third quarter as a result of

- Increased demand for gold plating, in particular for flexible circuit boards, arising due to the drive towards lead-free products;
- Active demand for gold plating chemicals for semiconductor substrates; and
- Favorable business with major overseas mobile phone manufacturers

the number of orders for our Company's products increased greatly which lead to favorable results.

Accordingly during the nine months ended Dec. 31, 2005, sales were ¥5,302,544 thousand (year-on-year increase of 24.9%), operating income was ¥1,454,046 thousand (year-on-year increase of 54.4%), ordinary income was ¥1,455,583 thousand (year-on-year increase of 55.1%), and net income was ¥871,902 thousand (year-on-year increase of 55.2%). 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)
Dec. 31, 2005	5,622	4,603	81.9 %	147,561.10
Dec. 31, 2004	4,036	3,400	84.2 %	110,401.57
March 31, 2005	4,519	3,590	79.4 %	115,752.67

Notes : Number of shares outstanding at the end of period
 Dec. 31, 2005 : 31,200 shares
 Dec. 31, 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)
Nine months ended Dec. 31 2005	201	-102	-51	2,545
Nine months ended Dec. 31, 2004	514	-128	-115	2,084
Year ended March 31, 2005	1,137	-335	-119	2,497

During the nine months ended Dec. 31, 2005, net cash provided by operating activities was ¥201million largely as a result of increases of ¥1,454 million and ¥67 million in income before taxes and depreciation allowances respectively against decreases of ¥618 million yen due to an increase in trade receivables and ¥631 million for payment of income taxes.

Net cash used in investment activities was ¥102 million due largely to payment of ¥97million for the acquisition of tangible fixed assets.

Net cash used in financing activities was ¥51 million with revenues through stock issue of ¥135 million being offset against dividend payments of ¥185 million.

As a result the balance of cash and cash equivalents at the end of the third quarter increased by ¥47 million compared to the balance as at the end of the previous fiscal year.

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)
Year ending March 31, 2006	6,600	1,750	1,050

(Reference) Expected Net Income per Share: ¥33,653.85

The forecast for the fiscal year ending March 31, 2006, remains unchanged from the revised forecast on Dec. 12, 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 Third Quarter (Dec. 31, 2005)	Previous Third Quarter (Dec. 31, 2004)	Year-on-Year Comparison		Previous Fiscal Year (March 31, 2005)
	Amount	Amount	Amount	%	Amount
(ASSETS)					
Current assets					
Cash and deposits	2,746,190	2,285,430	460,760	20.2	2,698,301
Accounts receivable	1,620,914	1,148,913	472,001	41.1	1,002,095
Inventories	287,670	186,526	101,144	54.2	160,523
Others	41,692	38,362	3,330	8.7	55,504
Total Current Assets	4,696,468	3,659,232	1,037,235	28.3	3,916,426
Fixed assets					
Tangible fixed assets	152,170	128,561	23,609	18.4	176,775
Intangible fixed assets	52,959	62,894	-9,934	-15.8	54,561
Investments and other assets	720,896	185,515	535,381	288.6	372,216
Total Fixed Assets	926,026	376,970	549,056	145.6	603,553
Total Assets	5,622,495	4,036,203	1,586,292	39.3	4,519,979
(LIABILITIES)					
Current liabilities					
Purchase liabilities	376,443	192,876	183,566	95.2	261,333
Income tax payable	310,485	253,330	57,155	22.6	390,000
Others	111,402	71,114	40,287	56.7	153,390
Total Current Liabilities	798,331	517,321	281,009	54.3	804,723
Fixed liabilities					
Reserve for Director's retirement benefits for service	75,968	118,513	-42,544	-35.9	125,074
Others	144,289	—	144,289	—	—
Total Fixed Liabilities	220,258	118,513	101,745	85.8	125,074
Total Liabilities	1,018,589	635,834	382,754	60.2	929,797
(SHAREHOLDERS EQUITY)					
Total Shareholders' Equity	4,603,906	3,400,368	1,203,538	35.4	3,590,182
Total Liabilities and Shareholders' Equity	5,622,495	4,036,203	1,586,292	39.3	4,519,979

Profit & Loss Statement (Summary)

(Thousands of yen)

Category	Current Third Quarter (Nine months ended Dec. 31, 2005)	Previous Third Quarter (Nine months ended Dec. 31, 2004)	Year-on-Year Comparison		Previous Fiscal Year (Year ended March 31, 2005)
	Amount	Amount	Amount	%	Amount
Sales	5,302,544	4,245,643	1,056,901	24.9	5,500,642
Cost of sales	3,216,205	2,718,736	497,468	18.3	3,469,530
Gross profit	2,086,338	1,526,906	559,432	36.6	2,031,112
Selling, general and administrative expenses	632,292	585,370	46,921	8.0	776,069
Operating income	1,454,046	941,535	512,510	54.4	1,255,043
Non-operating income	2,593	1,877	715	38.1	1,834
Non-operating expenses	1,056	4,867	-3,810	-78.3	7,643
Ordinary income	1,455,583	938,546	517,037	55.1	1,249,233
Extraordinary income	—	1,434	-1,434	—	1,434
Extraordinary losses	1,100	757	343	45.3	2,375
Income before tax expenses	1,454,482	939,223	515,259	54.9	1,248,293
Tax expenses	582,579	377,352	205,227	54.4	503,486
Net income	871,902	561,871	310,031	55.2	744,806

Cash flow statement (Summary)

(Thousands of yen)

Category	Current Third Quarter (Nine months ended Dec. 31, 2005)	Previous Third Quarter (Nine months ended Dec. 31, 2004)	Previous Fiscal Year (Year ended March 31, 2005)
	Amount	Amount	Amount
Cash flow from operating activities			
Income before tax expenses	1,454,482	939,223	1,248,293
Depreciation expenses	67,310	53,062	76,936
Increase/decrease in accounts receivable (minus = increase)	-618,819	-101,308	45,509
Others	-71,889	-106,702	39,923
Sub Total	831,084	784,274	1,410,661
Income taxes paid	-631,513	-271,260	-274,545
Others	1,746	1,482	1,556
Cash flow from operating activities	201,317	514,497	1,137,672
Cash flow from investing activities			
Expenditures for acquisition of tangible fixed assets	-97,007	-52,807	-56,589
Expenditures for acquisition of intangible fixed assets	-2,400	-49,176	-55,300
Expenditures for acquisition of investment securities	-2,598	—	-222,343
Others	—	-27,011	-1,553
Cash flow from investing activities	-102,005	-128,995	-335,786
Cash flow from financing activities			
Issuance of common stock	135,918	—	—
Dividend payments	-185,628	-115,500	-115,500
Others	-1,713	—	-3,513
Cash flow from financing activities	-51,423	-115,500	-119,013
Effect of exchange rate on cash and equivalents	—	—	—
Increase/decrease in cash and cash equivalents	47,889	270,002	682,873
Balance of cash and cash equivalents at beginning of the period	2,497,506	1,814,632	1,814,632
Balance of cash and cash equivalents at end of the period	2,545,394	2,084,634	2,497,506