

January 21, 2008



Third Quarter Financial Results Ended Dec. 31, 2007 For the fiscal year ending March 31, 2008 (Non-Consolidated)

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,
 Finance & Accounting Division /Tel +81-3- 3550-1048

1. Financial Results for the Fiscal 2008 Third Quarter (April 1, 2007 – Dec. 31, 2007)

(Amounts less than one million yen have been disregarded)
 (Percentages represent annual changes over the preceding year unless otherwise stated)

(1) Results of Operations

	Sales		Operating Income		Ordinary Income		Net Income	
	(million yen)		(million yen)		(million yen)		(million yen)	
Nine months ended Dec. 31, 2007	8,448	17.3%	1,750	10.1%	1,776	11.4%	1,061	11.5%
Nine months ended Dec. 31, 2006	7,203	35.9%	1,590	9.4%	1,595	9.6%	952	9.3%
Year ended March 31, 2007	9,536	28.0%	2,032	3.7%	2,040	4.1%	1,225	3.6%

	Net Income Per Share	Diluted Net Income Per Share
	(yen)	(yen)
Nine months ended Dec. 31, 2007	16,868.58	16,811.43
Nine months ended Dec. 31, 2006	15,170.43	15,043.79
Year ended March 31, 2007	19,511.70	19,375.68

(2) Financial Condition

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	(million yen)	(million yen)	(%)	(yen)
Dec. 31, 2007	7,513	6,510	86.5 %	103,081.13
Dec. 31, 2006	6,579	5,612	85.3 %	89,355.64
March 31, 2007	7,091	5,881	82.9 %	93,612.87

(3) 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, 2007	578	-253	-376	2,950
Nine months ended Dec. 31, 2006	404	-430	-306	2,758
Year ended March 31, 2007	1,059	-843	-305	3,001

2. Dividend Positions

	Dividend Per Share		
	Interim	Year-End	Annual
Year ended March 31, 2007	(yen) 2,500.00	(yen) 3,000.00	(yen) 5,500.00
Year ending March 31, 2008	4,000.00	4,000.00	8,000.00
Year ending March 31, 2008 (Forecast)			

3. Financial Forecasts for the Fiscal Year Ending March 31, 2008 (April 1, 2007 – March 31, 2008) [Reference]

(Percentages represent year on year changes over the same period last year)

	Sales	Operating Income	Ordinary Income	Net Income	Net Income per share
Year ending March 31, 2008	(million yen) 10,700 12.2%	(million yen) 2,140 5.3%	(million yen) 2,160 5.9%	(million yen) 1,300 6.1%	(yen) 20,649.67

4. Others

- (1) Adoption of simplified accounting method: No
- (2) Changes in accounting method since the previous fiscal year: Yes

Note: For details, refer to “【Qualitative Information and Financial Statements】 4. Other” on page 3.

Notes Regarding Financial Forecast

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.

[Qualitative Information and Financial Statements]

1. Review of Operations

The outline of the Company's business performance for the third quarter of this fiscal year is as follows.

In the electronic components industry, sales were generally favorable supported by growing demand due to purchases of new PCs with the latest OS, the increased manufacturing volume of mobile phones subsequent to inventory adjustments and high demand for flat screen TVs, digital cameras and game devices, etc.

The Company enjoyed strong sales of package substrates for use in MPUs and DRAM for PCs, package substrates and connectors for flash memory used for mobile phones, digital cameras and digital household appliances, and flexible substrates for flat screen TVs. Demand for plating chemicals used for such products also increased.

Accordingly, sales for the third quarter (Oct. 1, 2007 – Dec. 31, 2007) of this fiscal year were ¥3,107,754 thousand (a 26.7% YoY increase), and an operating income of ¥688,712 thousand (a 19.2% YoY increase), ordinary income of ¥699,063 thousand (a 20.7% YoY increase) were recorded. Sales and income marked record highs in quarterly basis.

As a result, sales for the nine months (April 1, 2007 – Dec. 31, 2007) of this fiscal year were ¥8,448,055 thousand (a 17.3% YoY increase), and an operating income of ¥1,750,229 thousand (a 10.1% YoY increase), ordinary income of ¥1,776,990 thousand (an 11.4% YoY increase) and net income of ¥1,061,692 thousand (an 11.5% YoY increase) were recorded.

2. Financial Position

(1) Financial condition at December 31, 2007

For the third quarter of this fiscal year, total assets increased ¥934,665 thousand from a year earlier to ¥7,513,745 thousand, total liabilities expanded ¥36,141 thousand to ¥1,002,971 thousand and total net assets rose ¥898,524 thousand year over year to ¥6,510,773 thousand. The increase in total assets was mainly attributable to increases in accounts receivable and investments and other assets.

(2) Cash Flows at December 31, 2007

In this quarter, cash provided by operating activities was ¥578,760 thousand. While cash was provided by income before income taxes was ¥1,776,990 thousand, cash was used mainly in income tax payments of ¥848,918 thousand, an increase in accounts receivable of ¥328,251 thousand.

Cash used in investing activities was ¥253,812 thousand, mainly due to expenditures for the acquisition of investment securities of ¥218,903 thousand and capital investments.

Cash used in financing activities was ¥376,384 thousand mainly due to dividend payments.

As a result, the balance of cash and cash equivalents at the end of the third quarter decreased ¥51,435 thousand from a year earlier to ¥2,950,096 thousand.

3. Financial Forecasts

In respect of the financial forecasts for the fiscal year ending March 2008, there have been no revisions to the forecasts published in the financial statements dated Oct. 18, 2007.

4. Others

(1) Adoption of simplified accounting method:

No applicable items.

(2) Changes in accounting method since the previous fiscal year:

From the first quarter of this fiscal year, the method for depreciation of tangible fixed assets acquired after April 1, 2007 shall be as stated in the Corporate Tax Law amendment of 2007.

5. Financial Statements

(1) Balance Sheet (Summary)

(Thousands of yen)

Category	Previous Third Quarter (Dec. 31, 2006)	Current Third Quarter (Dec. 31, 2007)	Year-on-Year Comparison		Previous Fiscal Year (March 31, 2007)
	Amount	Amount	Amount	%	
(ASSETS)					
Current assets					
1. Cash and deposits	2,759,048	2,950,842	191,794	7.0	3,002,209
2. Accounts receivable	1,944,778	2,133,906	189,128	9.7	1,805,654
3. Inventories	318,480	400,945	82,464	25.9	310,072
Others	42,913	45,014	2,101	4.9	73,998
Total Current Assets	5,065,220	5,530,709	465,489	9.2	5,191,937
Fixed assets					
1. Tangible fixed assets	131,233	106,804	-24,429	-18.6	125,080
2. Intangible fixed assets	45,343	42,997	-2,346	-5.2	50,510
3. Investments and other assets	1,337,282	1,833,233	495,951	37.1	1,723,638
Total Fixed Assets	1,513,859	1,983,034	469,176	31.0	1,899,229
Total Assets	6,579,079	7,513,745	934,665	14.2	7,091,166
(LIABILITIES)					
Current liabilities					
1. Accounts payable	404,782	419,281	14,498	3.6	414,453
2. Income tax payable	229,004	287,932	58,927	25.7	440,987
3. Others	103,569	112,467	8,898	8.6	129,265
Total Current Liabilities	737,357	819,681	82,324	11.2	984,705
Fixed liabilities					
1. Deferred tax liabilities	132,557	71,151	-61,405	-46.4	121,735
2. Reserve for Director's retirement benefits for service	96,916	112,138	15,222	15.7	102,841
Total Fixed Liabilities	229,473	183,290	-46,183	-20.1	224,577
Total Liabilities	966,830	1,002,971	36,141	3.7	1,209,282
(Net Assets)					
Shareholders' Equity					
1. Capital stock	1,238,197	1,272,557	34,360	2.8	1,240,248
2. Capital reserve	981,909	1,016,270	34,360	3.5	983,961
3. Retained earnings	3,156,198	4,050,026	893,827	28.3	3,428,893
Total Shareholders' Equity	5,376,306	6,338,854	962,548	17.9	5,653,102
Valuation and Exchange Differential					
1. Stock valuation differential	235,942	163,915	-72,027	-30.5	228,781
Total Valuation and Exchange Differential	235,942	163,915	-72,027	-30.5	228,781
Stock Acquisition rights	-	8,004	8,004	-	-
Total Net Assets	5,612,249	6,510,773	898,524	16.0	5,881,884
Total Liabilities and Net Assets	6,579,079	7,513,745	934,665	14.2	7,091,166

(2) Profit & Loss Statement (Summary)

(Thousands of yen)

Category	Previous Third Quarter (Nine months ended Dec. 31, 2006)	Current Third Quarter (Nine months ended Dec. 31, 2007)	Year-on-Year Comparison		Previous Fiscal Year (Year ended March 31, 2007)
	Amount	Amount	Amount	%	Amount
Sales	7,203,660	8,448,055	1,244,395	17.3	9,536,769
Cost of sales	4,981,345	5,987,643	1,006,297	20.2	6,655,511
Gross profit	2,222,314	2,460,411	238,097	10.7	2,881,257
Selling, general and administrative expenses	632,093	710,181	78,088	12.4	848,586
Operating income	1,590,221	1,750,229	160,008	10.1	2,032,671
Non-operating income	8,854	28,684	19,830	224.0	10,518
Non-operating expenses	3,404	1,924	-1,480	-43.5	3,182
Ordinary income	1,595,671	1,776,990	181,318	11.4	2,040,007
Extraordinary income	188	-	-188	-	188
Extraordinary losses	2,040	-	-2,040	-100.0	2,082
Income before tax expenses	1,593,818	1,776,990	183,171	11.5	2,038,113
Tax expenses	641,237	715,297	74,060	11.5	812,837
Net income	952,581	1,061,692	109,111	11.5	1,225,275

(3) Statements of Change in Net Assets

Nine months ended Dec. 31, 2007 (from April 1 to Dec. 31, 2007)

(Thousands of yen)

	Shareholders' Equity							
	Capital stock	Capital surplus		Retained earnings				Total Shareholders' Equity
		Capital reserve	Total capital surplus	Other retained earnings			Total retained earnings	
				Special depreciation reserve	Other reserve	Unappropriated retained earnings at the end of the period		
Balance as of March 31, 2007	1,240,248	983,961	983,961	13,509	1,900,000	1,515,383	3,428,893	5,653,102
Changes during the current period								
Issuance of new shares	32,309	32,309	32,309	-	-	-	-	64,618
Dividends declared (Year-End)	-	-	-	-	-	-188,496	-188,496	-188,496
Dividends declared (Interim)	-	-	-	-	-	-252,064	-252,064	-252,064
Reversal of special depreciation reserve	-	-	-	-3,351	-	3,351	-	-
General reserve	-	-	-	-	700,000	-700,000	-	-
Net income	-	-	-	-	-	1,061,692	1,061,692	1,061,692
Net changes other than shareholders' equity	-	-	-	-	-	-	-	-
Total changes during the current period	32,309	32,309	32,309	-3,351	700,000	-75,515	621,133	685,751
Balance as of Dec. 31, 2007	1,272,557	1,016,270	1,016,270	10,157	2,600,000	1,439,868	4,050,026	6,338,854

	Valuation and Exchange Differential		Stock Acquisition rights	Total Net Assets
	Stock valuation differential	Total Valuation and Exchange Differential		
Balance as of March 31, 2007		228,781	-	5,881,884
Changes during the current period				
Issuance of new shares	-	-	-	64,618
Dividends declared (Year-End)	-	-	-	-188,496
Dividends declared (Interim)	-	-	-	-252,064
Transfer of special depreciation	-	-	-	-
General reserve	-	-	-	-
Net income	-	-	-	1,061,692
Net changes other than shareholders' equity	-64,866	-64,866	8004	-56,862
Total changes during the current period	-64,866	-64,866	8004	628,889
Balance as of Dec. 31, 2007		163,915	8004	6,510,773

(4) Cash flow statement (Summary)

(Thousands of yen)

	Previous Third Quarter (Nine months ended Dec. 31, 2006)	Current Third Quarter (Nine months ended Dec. 31, 2007)	Previous Fiscal Year (Year ended March 31, 2007)
Category	Amount	Amount	Amount
Cash flow from operating activities			
Income before tax expenses	1,593,818	1,776,990	2,038,113
Depreciation expenses	56,871	51,585	76,470
Increase in accounts receivable	-225,690	-328,251	-86,567
Increase in inventory	-88,829	-90,871	-80,421
Increase in accounts payable	55,270	4,828	64,940
Others	-58,902	-14,358	-30,483
Sub Total	1,332,538	1,399,923	1,982,052
Income tax payments	-935,726	-848,918	-931,626
Others	7,684	27,754	9,048
Cash flow from operating activities	404,497	578,760	1,059,474
Cash flow from investing activities			
Expenditures for acquisition of tangible fixed assets	-24,741	-20,478	-32,495
Expenditures for acquisition of intangible fixed assets	-1,547	-14,430	-7,547
Expenditures for acquisition of investment securities	-103,822	-218,903	-497,413
Others	-299,950	-	-305,687
Cash flow from investing activities	-430,061	-253,812	-843,143
Cash flow from financing activities			
Issuance of common stock	7,092	64,176	11,191
Dividend payments	-313,930	-440,560	-313,930
Others	—	-	-2,764
Cash flow from financing activities	-306,837	-376,384	-305,503
Increase/decrease in cash and cash equivalents	-332,401	-51,435	-89,171
Balance of cash and cash equivalents at beginning of the period	3,090,704	3,001,532	3,090,704
Balance of cash and cash equivalents at end of the period	2,758,302	2,950,096	3,001,532