

April 23, 2008



Financial Statements for the Fiscal Year Ended 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
 Scheduled Date of General Meeting of Shareholders : June 18, 2008
 Beginning of dividend payment : June 19, 2008
 Scheduled Date of Filing Annual Securities Report : June 18, 2008

1. Financial Results for the fiscal year: from April 1, 2007 to March 31, 2008

(1) Results of Operations

(Amounts less than one million yen have been disregarded)

(Percentages represent annual changes over the preceding year unless otherwise stated)

	Sales		Operating Income		Ordinary Income	
	(million yen)		(million yen)		(million yen)	
Year ended March 31, 2008	11,268	18.2%	2,144	5.5%	2,170	6.4%
Year ended March 31, 2007	9,536	28.0%	2,032	3.7%	2,040	4.1%

	Net Income		Net Income Per Share	Diluted Net Income Per Share	Return on Equity	Ordinary Income to total Assets	Operating Income Ratio
	(million yen)		(yen)	(yen)	(%)	(%)	(%)
Year ended March 31, 2008	1,288	5.2%	20,459.51	20,398.79	20.7	29.2	19.0
Year ended March 31, 2007	1,225	3.6%	19,511.70	19,375.68	22.5	30.5	21.3

Reference : Equity in earnings (losses) of affiliates For the year ended March 31, 2008 : million yen
 For the year ended March 31, 2007 : million yen

(2) Financial Positions

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	(million yen)	(million yen)	(%)	(yen)
Year ended March 31, 2008	7,787	6,603	84.6%	104,445.56
Year ended March 31, 2007	7,091	5,881	82.9%	93,612.87

Reference : Equity March 31, 2008 : 6,591 million yen
 March 31, 2007 : 5,881 million yen

(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)
Year ended March 31, 2008	1,269	-544	-366	3,359
Year ended March 31, 2007	1,059	-843	-305	3,001

2. Dividend Positions

	Dividend Per Share			Total Annual Dividend	Payout Ratio	Dividend on Equity Ratio
	Interim	Year End	Annual			
	(yen)	(yen)	(yen)	(million yen)	(%)	(%)
Year ended March 31, 2007	2,500.00	3,000.00	5,500.00	345	28.2	6.3
Year ended March 31, 2008	4,000.00	4,000.00	8,000.00	504	39.1	8.1
Year ending March 31, 2009 (Forecasts)	4,000.00	4,000.00	8,000.00		38.6	

Note: A 2-for-1 stock split was performed on April 1, 2006.

3. Financial Forecasts for the Fiscal Year Ending March 31, 2009

	Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
	(million yen)	(million yen)	(million yen)	(million yen)	(yen)
Six months ending September 30, 2008	5,270 -1.3%	971 -8.5%	985 -8.6%	593 -8.2%	9,395.70
Year ending March 31, 2009	11,280 0.1%	2,146 0.1%	2,174 0.2%	1,307 1.4%	20,708.56

4. Others

(1) Changes in significant accounting policies

1. Changes in conformity with revision of accounting standard : yes
2. Other changes : No

(2) Number of shares outstanding (Ordinary shares)

1. Number of shares outstanding at the end of term (including treasury stocks)

For the year ended March 31, 2008	: 63,114 shares
For the year ended March 31, 2007	: 62,832 shares
2. Number of treasury stocks at the end of term

For the year ended March 31, 2008	: shares
For the year ended March 31, 2007	: shares

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 financial forecasts stated here for a number of reasons.

Major factors that may affect the actual results are the economic environment surrounding the Company's operations and market conditions.

Please refer to "Review of Operations (1)Operations Analysis" on page 3 in relation to above-mentioned forecasts.

1. Review of Operations

(1) Operations Analysis

a. Outline of Business Results

Although the fiscal year ended March 31, 2008 marked the sixth consecutive year of growth, the Japanese economy leveled off at the end of the fiscal year. Factors leading to the gradual economic decline were the deterioration of trading conditions due to a further surge in international market prices, the sluggish domestic housing market influenced by the enforcement of the Revised Building Standard Law, plummeting stock prices due to the risk of international financial crisis triggered by the U.S. subprime issues, and domestic political turmoil.

In the electronic components industry, despite the slowing economy since the beginning of 2008, sales were generally favorable supported by growing demand for new PCs with the latest operating system, steady growth in demand for mobile phones and the year-end special demand for flat-screen TVs, digital cameras, game devices, and so on.

Japan Pure Chemical Co., Ltd. (the Company), recorded historic highs in sales and income. Demand for plating chemicals increased for MPU package substrates for PCs, boards for mobile phones, package substrates for DRAMs and NAND flash memory, and flexible substrates for digital cameras and flat-screen TVs, in addition to lead frames. As a result, sales were ¥11,268,735 thousand (an 18.2% YoY increase), operating income was ¥2,144,290 thousand (a 5.5% YoY increase), ordinary income was ¥2,170,165 thousand (a 6.4% YoY increase) and net income was ¥1,288,560 thousand (a 5.2% YoY increase).

Sales according to use category are as stated below.

(Printed circuit boards and semiconductor substrates)

Demand continued to increase for new gold plating chemicals, supported by the rising demand for their use in MPU package substrates for PCs, DRAMs and NAND flash memory, the demand for stronger solder balls due to the trend for lead-free Ball Grid Array (BGA) chip packages and the demand for improved corrosion resistance in mobile phone boards. As a result, sales were ¥5,367,905 thousand, a 22.6% YoY increase, which contributed to a rise in income as well.

(Connectors)

Income increased as the result of the special, year-end demand for our products for use in PCs, mobile phones and digital home appliances, as well as the release of new gold plating chemicals for high-precision connectors, which offset a 14.2% YoY decline in sales to ¥2,048,559 thousand due to a decrease in the trading of precious metals such as gold and palladium.

(Lead frames)

Demand for palladium pre-plated lead frames (PPFs) was consistently strong throughout the year, posting sales of ¥3,056,129 thousand for a YoY increase of 35.2%. Income increased accordingly.

(Others)

Sales of precious metals for decorating clocks and watches grew. Sales were ¥796,141 thousand, a 56.2% YoY increase.

b. Operation Results Analysis

Sales for the fiscal year ended March 31, 2008 were ¥11,268,735 thousand, an 18.2% YoY increase.

(For further detail, see "a. Outline of Business Results".)

Cost of sales was ¥8,188,969 thousand, a 23.0% YoY increase, and gross profit was ¥3,079,766 thousand, a 6.9% YoY increase.

Sales, general and administrative expenses were ¥935,475 thousand, a 10.2% increase from a year earlier, mainly due to a rise in labor costs.

As a result, operating income was ¥2,144,290 thousand, a 5.5% YoY increase.
Non-operating income rose ¥18,538 thousand to ¥25,874 thousand due to an increase in dividends received.
As a result, ordinary income was ¥2,170,165 thousand, a 6.4% YoY increase.
Tax expenses increased 6.5% to ¥865,368 thousand.
Consequently, net income for the year under review was ¥1,288,560 thousand, a 5.2% YoY increase.

Outlook for the Next Fiscal Year

The world economy in the fiscal year ending March 31, 2009 is predicted to continue to decelerate due to turmoil in the financial sector triggered by the U.S. subprime issues, which has slowed the U.S. economy and had a ripple effect on the BRIC economies. With the indirect influences of such trends, including fluctuations in foreign exchange rates and a surge in raw material costs, the Company's business environment has become uncertain.

Taking the aforementioned circumstances into account, the Company intends to further increase its market share and enlarge the scale of its business by developing new products, while aiming to maintain the same level of ordinary income as in the fiscal year under review.

(2) Financial Position Analysis

a. Financial position analysis

Total assets at March 31, 2008 were ¥7,787,456 thousand, a YoY increase of ¥696,289 thousand.
Current assets were ¥5,735,823 thousand, a YoY increase of ¥543,885 thousand.
The contributing factors were YoY increases of ¥358,465 thousand in cash and deposits and ¥189,781 thousand in accounts receivable.
Fixed assets were ¥2,051,633 thousand, a YoY increase of ¥152,403 thousand.
An ¥11,043 thousand increase in tangible fixed assets was due to the acquisition of facilities for R&D and the rationalization of our manufacturing process.
Investments and other assets increased ¥154,949 thousand to ¥1,878,588 thousand, mainly due to an increase of ¥116,939 thousand in investment securities.

Total liabilities at March 31, 2008 were ¥1,183,473 thousand, down ¥25,808 thousand from a year earlier.
Current liabilities were ¥1,066,031 thousand, up ¥81,326 thousand. Principle factors for this rise were YoY increases of ¥38,938 thousand in income tax payable and ¥27,496 thousand in accounts payable.
Fixed liabilities were ¥117,442 thousand, down ¥107,134 thousand from a year earlier. The main reason for this was a decrease in deferred tax liabilities resulting from a loss on valuation of investment securities.
Net assets at March 31, 2008 were ¥6,603,982 thousand, up ¥722,098 thousand. Net income recorded for the year under review increased retained earnings by ¥848,000 thousand.

b. Cash flow analysis

Cash and cash equivalents at the end of the fiscal year ended March 31, 2008 were ¥3,359,927 thousand, up ¥358,395 thousand from a year earlier.
Net cash provided by operating activities increased ¥210,265 thousand to ¥1,269,740 thousand. This increase was due to a ¥115,814 thousand YoY increase in income before tax expenses to ¥2,153,928 thousand thanks to favorable sales, an increase in accounts receivable and decreases in inventories and income tax payments.
Net cash used in investing activities decreased ¥298,505 thousand to ¥544,640 thousand due to a decrease in expenses for acquiring investment securities and a ¥299,949 thousand decrease in the credited amount for the year to time deposits, though expenditures for capital investments increased year over year.
Net cash used in financing activities increased ¥61,201 thousand to ¥366,704 thousand due to increases in

dividend payments and revenues from the exercise of stock acquisition rights.

(Reference) The trends in the cash flow index for the Company

	March, 2004	March, 2005	March, 2006	March, 2007	March, 2008
Equity Ratio	83.2%	79.4%	79.7%	82.9%	84.6%
Ratio of Market Capitalization to Total Assets	645.9%	449.7%	858.5%	408.5%	273.1%
Debt Redemption Multiple	—	—	—	—	—
Interest Coverage Ratio	—	—	—	—	—

Note) Equity ratio: Net assets / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Debt redemption period: Interest bearing debt / Operating cash flow

Interest coverage ratio: Operating cash flow / Interest payments

(3) Fundamental policy regarding allocation of earnings

The Company's financial policy regarding earnings allocation is to maintain a stable dividend payout ratio in accordance with the level of earnings while preserving the level of retained earnings needed for business activities in the future and strengthening the base of operations.

In the past the Company's focus was on accumulating retained earnings to provide a stable operating base, while at the same time making ongoing future investment in both human resources and capital to ensure future growth. Now that sufficient assets have been accumulated to ensure the achievement of these goals, however, the Company has entered a period in which it has the opportunity to adopt the stance of being flexible in dividend returns to shareholders based on its revenue position, while also maintaining the required amount of retained earnings for future business activities and strengthening its base of operations.

Under the Company's fundamental policy for appropriation of retained earnings, we plan to propose an ordinary dividend of ¥4,000 at the General Meeting of Shareholders to be held on June 18, 2008. This will result in a total dividend per share for the year of ¥8,000, an increase of ¥2,500 compared to the previous fiscal year.

(4) Business Risk

Possible risk items for operations development are set forth below. In order to provide full disclosure to investors, items including those that the Company believes will have no impact on our operations, however that may be important in investing or for full understanding of our Company's operations, are stated below.

a. Heavy reliance on the electronic equipment industry

Given that our Company's precious metal plating fluids are used predominately within the electronic equipment industry for applications such as contacts for semi-conductor mounted circuit boards, printed circuit boards, connectors and lead frames, our major clients are businesses primarily involved in that industry. Accordingly, trends within this industry, in particular shifts in the mobile phone and PC markets, have a great influence on our Company's results.

b. Influence of market trends on the products and raw materials used by our Company.

In general terms the raw materials used for the majority of our Company's products can be divided into precious metals and chemicals, with precious metals accounting for the majority of our expenditures.

While the price of chemicals is relatively stable, as the international market prices of precious metals (gold, silver, palladium) fluctuate widely, these variations have a corresponding influence on our sales results.

As the contract price between our Company and clients is determined based upon market value on the date of purchase and sale, and as our Company places orders to purchase precious metals at the time of receiving orders from our clients, fluctuations in the market price of precious metals have little effect on our profit margin. However, given price fluctuation risks as a result of stock rollover, this influence is kept to an absolute minimum through reduction in delivery times and minimization of the amount of stock on hand.

Further, given that supplies of precious metals are limited, where procurement problems arise as a result of sudden fluctuations in supply and demand or mining accidents, it is possible that this will influence our Company's business activities.

c. Influence of fluctuations in the exchange rate

In the fiscal year ended March 2007 and March 2008, exports accounted for 29.9% and 32.7%, respectively of our Company's business. In terms of trading abroad, while the settlement of accounts has as a general rule been performed in yen, recently there has been a growing trend to conduct such trade in U.S. dollars. While our Company hedges its risks through forward exchange contracts, it cannot be guaranteed that all risk can be avoided and accordingly currency fluctuations may impact our Company's results.

d. Research and development

As technological innovations in the electronic components industry are significant, the Company considers R&D to be of the utmost importance in ensuring the supply of products to our clients that are in line with their needs not just to maintain, but also to expand our market share. For these purposes, the Company promotes R&D activities for new product development and the improvement of existing products.

The Company's fundamental principles for future activities are the development of plating fluids for cutting edge devices and the development of environmentally friendly plating fluids that contribute to further reductions in our clients' costs. However, when R&D activities intended to achieve these principles do not progress as planned, the results of the Company may be affected.

e. Intellectual property rights

Given that gold plating fluid, which is the Company's key product, has complex components which make analysis difficult, in general it is thought that putting a similar product on the market is not a simple task. Further, to date the Company has not actively pursued acquisition of patent rights for gold plating, since even a failed patent application would require it to disclose information on the composition of the plating fluid.

However, given the advances in recent years in organic analysis technologies, in the future, with regard to R&D for new technologies the Company will not emphasize making patent applications based upon information on composition, but rather will protect technologies by making patent applications based on physicochemical constants. However given that registration of all patents pending cannot be guaranteed and that there may be cases where competitors achieve technological developments that are superior to those of the Company, this may have a major affect on the Company's operational strategies.

Further, while the Company conducts thorough in-house investigations to ensure that its operations do not impinge on the intellectual property rights held by a third party, where new patent rights are granted to another company

regarding products developed and sold by that Company, this may affect the results of the Company.

f. Unauthorized distribution or disclosure of technological know-how

The technological information of the Company pertains to plating liquid development processes, plating fluids and their composition and components, and technological data that is exchanged by the Company and its clients. This type of technological information is stored in designated secure cabinets that are checked daily and the Company prohibits both the removal of such information from its premises, and its reproduction. Especially with regard to plating composition and components, measures to prevent unauthorized dissemination, such as coded use of terminology by the Company, have been implemented.

However, as recently there has been an increase in the number of cases in which e-mail, memory, projector and similar have been used in communications with other companies, in the event that there is unauthorized dissemination of this information, since it is believed that there is a possibility products similar to those of the Company could be produced by referring to the plating component analysis results in combination with this information, this may affect the results of the Company.

While every effort is made to ensure that personnel are fully aware of the Company's policies when they are hired, their obligations for compliance, and duties to maintain confidentiality, once personnel leave the Company, despite being under a contractual obligation to continue to maintain confidentiality, were they to unlawfully disseminate any part of the Company's technology or information, it cannot be denied that this may affect the Company's operations.

g. Securing and fostering of human resources

The Company is expanding its operations not just on the basis that each employee performs his/her duties as expected, but also that they have a constant awareness of Company operations. To date the Company has been able to maintain an elite workforce through strategies such as increasing company name recognition, strengthening recruiting activities, and upgrading human resource education and training. In the future, while the Company will expand operations by further strengthening R&D systems, expanding overseas markets, and moving into new areas of business, in the event that the Company is unable to recruit or foster a sufficient number of personnel, this may affect future operational development.

h. Laws and regulations

Given that the Company uses chemicals to which the "Poisonous and Deleterious Substances Control Law" applies as raw materials in its plating fluids, the Company is subject to the regulations regarding their sale, manufacture and import that have been enacted under that Law.

The Company, in addition to implementing measures regarding registration of the sale, manufacture, and importation of deleterious and poisonous substances, as legally required, has also established in-house management systems to ensure compliance with the applicable laws and regulations. In the development of products the Company gives full consideration to their composition and components, based upon whether or not the use of poisonous substances is permissible, and in addition considers reducing the amount of these substances. However, in the unlikely event that the Company's use of these materials comes to be in breach of any laws or regulations, this may affect the Company's results.

i. Waste control

In the Company's manufacturing and experimentation processes, liquid waste and emissions are created, which given environmental considerations, must be appropriately processed. Depending upon the concentration of the liquid waste, the Company either processes it through discharged liquid waste treatment equipment or has it

processed by an outside contractor. With regard to emission controls, the exhaust gases produced in the laboratory and manufacturing processes are processed by exhaust gas treatment equipment, through a localized ventilation system. As a result of these systems, to date the Company has not been the subject of any orders by public authorities and has received no complaints from local residents. However, in the future, should any problems arise regarding the Company's waste control, this may have a major influence on the Company's results.

2. Corporate Group

There have been no major changes to the Business Flow Diagram (Business Details) from those contained in the recent Securities Report (Submitted on June 22, 2007). Accordingly, this item has been omitted.

3. Management Policies

(1) Fundamental Management Policies

While the IT society is supported by a wide range of industries, fine chemicals makers are most active in Japan, providing the functional materials required for the production of electronic devices. As precious metal plating chemicals are an important part of the functional chemicals, our Company's fundamental management policy is to grow as a company known among fine chemical makers as the company most highly praised within the international device market.

(2) Targeted Performance Indexes

With the aim of increasing profitability and capital efficiency and gains for shareholders, the company places an emphasis on ROE and DOE (dividend on equity) as targeted performance indexes.

In this fiscal year, ROE and DOE were 20.7% and 8.1%, respectively.

(3) Medium- to Long-Term Management Strategies

The Company, based on its fundamental management policies outlined in its Medium-Term Management Plan (From April 2007 to March 2009), set forth concrete goals with respect to the issues it faces and we continue to strive to meet these goals.

The management strategies are as outlined below.

< Business Strategies >

1) Strengthen sales activities in response to expanded overseas markets

In the past few years, the Company's growth has been supported by the increasing popularity in developed countries of digital equipment such as PCs and mobile phones. However, recently there have been signs that this market has nearly become oversaturated. Accordingly, the Company, believing that the promotion of business strategies that focus on new markets is vital to its future growth, continues to cultivate these strategies in terms of both marketing and technical support.

2) Cultivate new demand for precious metal plating

The range of applications for precious metal plating technologies continues to expand, not just in established product sectors such as PCs, mobile phones and digital cameras but also for game machines and flat screen TVs. Regardless of the sector, the Company believes it is vital to actively strengthen market research and marketing strategies.

3) Enter new business areas

The Company, based on its established technologies within the precious metal plating industry and by continuing to enter into new areas of operation, is actively seeking new markets to further increase revenues and expand the

content of its operations.

< Organizational Strategies >

1) Upgrade technical staff

In the future the Company's major competitors will not be precious metal chemical manufacturers but rather general plating chemical manufacturers. Accordingly, in the Company's technical group, "Unique Concepts" are a pre-requisite to challenging these general plating chemical manufacturers whose technical groups employ far more technical staff. The Company is tackling this challenge not merely by increasing staffing levels but by ensuring that all persons hired possesses superior skills within their fields.

2) Strengthen marketing systems

The Company will establish sales hubs and dispatch necessary personnel to markets where future growth is predicted.

Further, within the Japanese market, the Company will establish an information exchange network with the R&D groups of major device manufacturers forming the core of its new technology development systems.

3) Establish an internal management system

The Company has almost completed its management system to address J-SOX. In April 2008, we began onsite inspections and verifications with the help of an audit company. We will continue to update the system as a tool that can help directors make optimal management decisions.

(4) Key Issues Facing the Company

Current Status and Key Issues

In the Company's core semiconductor and electronics markets the trend towards globalization of operations continues. The majority of the Company's client manufacturers, to adapt to this market expansion, in addition to competing to unearth new technologies, are also continuing to seek out optimum manufacturing systems that on a global scale, with a focus on both marketing and cost competitiveness.

Against this background, the Company continues to supply unique plating chemicals to the electronics industry and recognizes that the following issues must be addressed to ensure its corporate growth as a company that receives high praise in the international marketplace.

1) Growing to become a model fine chemical company in the 21st century

Moving on from the 20th century, in which the mass chemical industry was engaged in cost and sales competition on an engineering basis, to the 21st century, the Company as a fine chemicals manufacturer aims to differentiate itself from rival companies by producing highly functional and highly profitable products that represent the latest chemical-related knowledge.

The Company believes that the most important assets in fine chemical manufacture are not capital or plant capability but rather development and marketing skills, which means placing the highest priority on the acquisition of superior human resources. Accordingly, the Company continues to actively implement recruiting strategies that focus on acquiring persons with postgraduate degrees.

2) Fundamental policy regarding technology and sales

The Company's competitors are involved not only in the precious metal plating chemical industry but also in the base metal plating chemical industry. Accordingly, the Company, as a part of its fundamental technical development policies, continues to promote the ongoing expansion of its market share through timely improvement of its core

precious metal plating technologies while at the same time clearly identifying areas that have not yet been fully addressed in technical terms, within both the precious and base metal plating industries.

The Company's fundamental sales policies involve relying on the inherent appeal of our Company's superior products, to promote standardization of high-end products not influenced by economic or industry fluctuations, to achieve new product releases (acquire market share and improve gross profit), to participate in new applications, and to concentrate our personnel placement focusing on overseas markets and specifically to expand sales of existing products to companies operating on the China mainland.

3) Sales expansion

As a part of the Company's goals, namely to grow as a fine chemical manufacturing company, it is not our ultimate objective to just expand for the sake of corporate expansion. However, based on the company's long held conviction that human resources are the most important assets, the Company continues to steadily increase the number of its employees.

With our prediction that the Company's current space will become insufficient for its business operations in a few years, discussion is under way for relocation of either the Company as a whole, or certain divisions.

(5) Other Items with a Major Influence on Company Management (conflict of interest)

There are no applicable items.

4. Financial Statements, etc.

(1) Balance Sheet

Category	Previous Fiscal Period (March 31, 2007)		Current Fiscal Period (March 31, 2008)		Year-on-Year Comparison	
	Amount (One Thousand Yen)	% of Total	Amount (One Thousand Yen)	% of Total		
(ASSETS)						
Current assets						
1. Cash and deposits		3,002,209		3,360,675	358,465	
2. Notes receivable		277,680		221,663	-56,017	
3. Accounts receivable		1,527,974		1,773,773	245,798	
4. Marketable securities		68		—	-68	
5. Products		89,212		120,694	31,482	
6. Raw materials		219,523		181,451	-38,072	
7. Stock		1,337		1,155	-182	
8. Prepaid expenses		6,783		6,783	0	
9. Deferred tax assets		59,155		64,852	5,696	
10. Consumption tax receivables		7,218		—	-7,218	
11. Other		772		4,773	4,001	
Total Current Assets		5,191,937	73.2	5,735,823	73.7	543,885
Fixed assets						
1. Tangible fixed assets						
(1) Buildings and structures	81,303		86,945			
Accumulated depreciation	38,556	42,746	46,192	40,752	-1,993	
(2) Vehicle and delivery equipment	12,594		12,149			
Accumulated depreciation	9,569	3,024	6,668	5,480	2,456	
(3) Tools, equipment and fixtures	388,322		435,661			
Accumulated depreciation	309,012	79,310	345,770	89,891	10,580	
Total Tangible Fixed Assets		125,080	1.8	136,124	1.7	11,043
2. Intangible Fixed Assets						
(1) Software		48,208		34,894	-13,313	
(2) Telephone subscription rights		466		466	0	
(3) Trademark rights		1,835		1,560	-275	
Total Intangible Fixed Assets		50,510	0.7	36,921	0.5	-13,589
3. Investments and Other Assets						
(1) Investment securities		1,190,713		1,307,653	116,939	
(2) Long-term deposits		500,000		500,000	0	
(3) Deposits for guaranty		26,011		25,221	-789	
(4) Long-term prepaid expenses		5,783		4,019	-1,763	
(5) Deferred tax assets		—		40,229	40,229	
(6) Other		1,130		1,464	333	
Total Investment and Other Assets		1,723,638	24.3	1,878,588	24.1	154,949
Total Fixed Assets		1,899,229	26.8	2,051,633	26.3	152,403
Total Assets		7,091,166	100.0	7,787,456	100.0	696,289

Category	Previous Fiscal Period (March 31, 2007)		Current Fiscal Period (March 31, 2008)		Year-on-Year Comparison	
	Amount (One Thousand Yen)	% of Total	Amount (One Thousand Yen)	% of Total		
(LIABILITIES)						
Current liabilities						
1. Accounts payable	414,453		441,950			27,496
2. Monies payable	42,655		39,718			-2,937
3. Income tax payable	440,987		479,925			38,938
4. Consumption tax payable	—		1,330			1,330
5. Reserve for bonuses	55,400		60,000			4,600
6. Monies payable for facilities	16,826		29,404			12,578
7. Other	14,382		13,702			-680
Total Current Liabilities	984,705	13.9	1,066,031	13.7		81,326
Fixed liabilities						
1. Deferred tax liabilities	121,735		—			-121,735
2. Reserve for Director's retirement benefits for service	102,841		117,442			14,601
Total Fixed Liabilities	224,577	3.2	117,442	1.5		-107,134
Total Liabilities	1,209,282	17.1	1,183,473	15.2		-25,808
(Net Assets)						
Shareholders Equity						
1. Capital stock	1,240,248	17.5	1,277,498	16.4		37,249
2. Capital surplus						
(1)Capital reserve	983,961		1,021,210		37,249	
Total capital surplus	983,961	13.9	1,021,210	13.1		37,249
3. Retained earnings						
(1)Other retained earnings						
Reserve for special depreciation	13,509		8,124		-5,385	
General reserve	1,900,000		2,600,000		700,000	
Unappropriated retained earnings at the end of the period	1,515,383		1,668,768		153,385	
Total Retained Earnings	3,428,893	48.3	4,276,893	54.9		848,000
Total Shareholders' Equity	5,653,102	79.7	6,575,601	84.4		922,499
Valuation and Exchange Differential						
Stock valuation differential	228,781	3.2	16,374	0.2		-212,406
Total Valuation and Exchange Differential	228,781	3.2	16,374	0.2		-212,406
Stock Acquisition Rights	—	—	12,006	0.2		12,006
Total Net Assets	5,881,884	82.9	6,603,982	84.8		722,098
Total Liabilities and Net Assets	7,091,166	100.0	7,787,456	100.0		696,289

(2) Profit & Loss Statement

Category	Previous Fiscal Period (April 1, 2006 - March 31, 2007)		Current Fiscal Period (April 1, 2007 - March 31, 2008)		Year-on-Year Comparison		
	Amount (One Thousand Yen)	% of Total	Amount (One Thousand Yen)	% of Total			
Sales							
1. Product sales		9,536,769	100.0	11,268,735	100.0	1,731,966	
Cost of sales							
1. Product inventory at beginning of the period	94,802			89,212			
2. Product manufacturing costs	6,649,922			8,220,451			
Total	6,744,724			8,309,664			
3. Product inventory at end of the period	89,212	6,655,511	69.8	120,694	8,188,969	72.7	1,533,457
Gross Profit		2,881,257	30.2	3,079,766	27.3	198,508	
Selling, general and administrative expenses		848,586	8.9	935,475	8.3	86,889	
Operating income		2,032,671	21.3	2,144,290	19.0	111,618	
Non-operating income							
1. Interest received	1,665			11,899			
2. Dividends received	7,383			18,545			
3. Currency gain	434			—			
4. Dividend Income of insurance	418			8			
5. Other income	616	10,518	0.1	948	31,401	0.3	20,883
Non-operating expenses							
1. Stock split expenses	2,764			—			
2. New share issue expenses	289			643			
3. Stock delivery expenses	—			4,703			
4. Other losses	128	3,182	0.0	179	5,527	0.0	2,344
Ordinary income		2,040,007	21.4	2,170,165	19.3	130,157	
Extraordinary income							
1. Insurance income	188	188	0.0	—	—	—	-188
Extraordinary losses							
1. Loss of retirement of fixed assets	2,082			—			
2. Write-off of investment securities	—	2,082	0.0	16,236	16,236	0.2	14,154
Income before income taxes		2,038,113	21.4	2,153,928	19.1	115,814	
Income taxes, residence taxes and enterprise taxes	821,614			887,307			
Income tax effect adjustment	-8,776	812,837	8.5	-21,939	865,368	7.7	52,530
Net income		1,225,275	12.9	1,288,560	11.4	63,284	

(3) Statements of Change in Net Assets

Previous Fiscal Period (April 1, 2006 - March 31, 2007)

	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, 2006 (One Thousand Yen)	1,234,508	978,220	978,220	38,220	1,200,000	1,299,327	2,537,547	4,750,275
Changes during the current period								
Issuance of new shares	5,740	5,740	5,740	-	-	-	-	11,481
Dividends declared	-	-	-	-	-	-313,930	-313,930	-313,930
Directors' bonuses	-	-	-	-	-	-20,000	-20,000	-20,000
Reversal of special depreciation reserve	-	-	-	-26,747	-	26,747	-	-
Reserve for special depreciation	-	-	-	2,037	-	-2,037	-	-
General reserve	-	-	-	-	700,000	-700,000	-	-
Net income	-	-	-	-	-	1,225,275	1,225,275	1,225,275
Net changes other than shareholders' equity	-	-	-	-	-	-	-	-
Total changes during the current period (One Thousand Yen)	5,740	5,740	5,740	-24,710	700,000	216,056	891,345	902,826
Balance as of March 31, 2007 (One Thousand Yen)	1,240,248	983,961	983,961	13,509	1,900,000	1,515,383	3,428,893	5,653,102

	Valuation and Exchange Differential		Total Net Assets
	Stock valuation differential	Total Valuation and Exchange Differential	
Balance as of March 31, 2006 (One Thousand Yen)	266,327	266,327	5,016,603
Changes during the current period			
Issuance of new shares	-	-	11,481
Dividends declared	-	-	-313,930
Directors' bonuses	-	-	-20,000
Reversal of special depreciation reserve	-	-	-
Reserve for special depreciation	-	-	-
General reserve	-	-	-
Net income	-	-	1,225,275
Net changes other than shareholders' equity	-37,545	-37,545	-37,545
Total changes during the current period (One Thousand Yen)	-37,545	-37,545	865,281
Balance as of March 31, 2007 (One Thousand Yen)	228,781	228,781	5,881,884

Current Fiscal Period (April 1, 2007 - March 31, 2008)

	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 (One Thousand Yen)	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	37,249	37,249	37,249	—	—	—	—	74,499
Dividends declared	—	—	—	—	—	-440,560	-440,560	-440,560
Reversal of special depreciation reserve	—	—	—	-5,385	—	5,385	—	—
General reserve	—	—	—	—	700,000	-700,000	—	—
Net income	—	—	—	—	—	1,288,560	1,288,560	1,288,560
Net changes other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes during the current period (One Thousand Yen)	37,249	37,249	37,249	-5,385	700,000	153,385	848,000	922,499
Balance as of March 31, 2008 (One Thousand Yen)	1,277,498	1,021,210	1,021,210	8,124	2,600,000	1,668,768	4,276,893	6,575,601

	Valuation and Exchange Differential		Stock Acquisition Rights	Total Net Assets
	Stock valuation differential	Total Valuation and Exchange Differential		
Balance as of March 31, 2007 (One Thousand Yen)	228,781	228,781	—	5,881,884
Changes during the current period				
Issuance of new shares	—	—	—	74,499
Dividends declared	—	—	—	-440,560
Reversal of special depreciation reserve	—	—	—	—
General reserve	—	—	—	—
Net income	—	—	—	1,288,560
Net changes other than shareholders' equity	-212,406	-212,406	12,006	-200,400
Total changes during the current period (One Thousand Yen)	-212,406	-212,406	12,006	722,098
Balance as of March 31, 2008 (One Thousand Yen)	16,374	16,374	12,006	6,603,982

(4) Cash Flows

Category	Previous Fiscal Period (April 1, 2006 - March 31, 2007)	Current Fiscal Period (April 1, 2007 - March 31, 2008)	Year-on-Year Comparison
	Amount (One Thousand Yen)	Amount (One Thousand Yen)	
Cash flow from operating activities			
1. Income before income taxes	2,038,113	2,153,928	115,814
2. Depreciation expenses	76,470	72,003	-4,466
3. Share-based payments	—	12,006	12,006
4. Write-off of investment securities	—	16,236	16,236
5. Increase in reserve for bonuses	3,400	4,600	1,200
6. Increase in reserve for Directors' retirement benefits for service	22,323	14,601	-7,722
7. Loss on retirement of fixed assets	2,082	—	-2,082
8. Interest and dividends receivable	-9,048	-30,444	-21,395
9. Increase/decrease in accounts receivable (minus = increase)	-86,567	-189,781	-103,213
10. Increase/decrease in inventory (minus = increase)	-80,421	6,772	87,193
11. Increase in purchase liabilities	64,940	27,496	-37,444
12. Payment of bonuses for Directors	-20,000	—	20,000
13. Other	-29,239	1,255	30,494
Sub Total	1,982,052	2,088,674	106,621
14. Interest and dividends received	9,048	30,444	21,395
15. Income taxes paid	-931,626	-849,378	82,247
Cash flow from operating activities	1,059,474	1,269,740	210,265
Cash flow from investing activities			
1. Expenditures for acquisition of tangible fixed assets	-32,495	-35,804	-3,309
2. Expenditures for acquisition of intangible fixed assets	-7,547	-14,293	-6,746
3. Expenditures for acquisition of investment securities	-497,413	-491,306	6,107
4. Net increase in time deposit (minus = increase)	-299,950	-1	299,949
5. Other	-5,737	-3,233	2,504
Cash flow from investing activities	-843,143	-544,640	298,505
Cash flow from financing activities			
1. Issuance of common stock	11,191	73,855	62,663
2. Dividend payments	-313,930	-440,560	-126,630
3. Other	-2,764	—	2,764
Cash flow from financing activities	-305,503	-366,704	-61,201
Increase in cash and cash equivalents	-89,171	358,395	447,566
Balance of cash and cash equivalents at beginning of the period	3,090,704	3,001,532	-89,171
Balance of cash and cash equivalents at end of the period	3,001,532	3,359,927	358,395

(5) Sales Results by Product

Product Type	Previous Fiscal Period (April 1, 2006 - March 31, 2007)		Current Fiscal Period (April 1, 2007 - March 31, 2008)	
	Amount (One Thousand Yen)		Amount (One Thousand Yen)	Year-on-year comparison (%)
For printed circuit boards & semiconductor substrates	4,379,387		5,367,905	122.6
For connectors & micro-switches	2,387,023		2,048,559	85.8
For lead frames	2,260,727		3,056,129	135.2
Other	509,631		796,141	156.2
Total	9,536,769		11,268,735	118.2

(6) Sales Results by Export Region

	Previous Fiscal Period (April 1, 2006 - March 31, 2007)		Current Fiscal Period (April 1, 2007 - March 31, 2008)	
	Amount (One Thousand Yen)	% of Total	Amount (One Thousand Yen)	% of Total
Korea	540,477	19.0	576,663	15.6
Taiwan	676,651	23.8	614,734	16.7
Singapore / Malaysia	195,125	6.8	199,442	5.4
China	761,286	26.7	1,497,680	40.6
Other Regions	673,626	23.7	800,182	21.7
Total	2,847,166 (29.9%)	100.0	3,688,701 (32.7%)	100.0