

July 23, 2009



# First Quarter Financial Results Ended June 30, 2009

## For the Fiscal Year Ending March 31, 2010 (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 : Shigeki Shimizu, President  
 Investor Relations : Kaoru Uchida, General Manager,  
 Corporate Planning Division /Tel +81-3- 3550-1048  
 Scheduled Date of Filing Quarterly : August 7, 2009  
 Securities Report  
 Beginning of dividend payment :—

(Amounts less than one million yen have been disregarded)

## 1. Financial Results for the Fiscal 2010 First Quarter (April 1, 2009 – June 30, 2009)

### (1) Results of Operations

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

	Sales	Operating Income	Ordinary Income	Net Income
	(million yen)	(million yen)	(million yen)	(million yen)
Three months ended June 30, 2009	1,832 $\Delta$ 37.2%	341 $\Delta$ 37.0%	359 $\Delta$ 36.5%	217 $\Delta$ 36.0%
Three months ended June 30, 2008	2,917 —	542 —	565 —	339 —

	Net Income Per Share	Diluted Net Income Per Share
	(yen)	(yen)
Three months ended June 30, 2009	3,532.80	3,531.99
Three months ended June 30, 2008	5,403.92	5,401.97

### (2) Financial Condition

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	(million yen)	(million yen)	(%)	(yen)
June 30, 2009	6,842	6,190	89.9 %	99,930.51
March 31, 2009	6,373	6,020	93.9 %	97,294.39

(Reference) Equity June 30, 2009: 6,149 million yen March 31, 2009: 5,985 million yen

## 2. Dividend Positions

	Dividend Per Share				
	June 30	Sept. 30	Dec. 31	Year-End	Annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2009	—	4,000.00	—	4,000.00	8,000.00
Year ending March 31, 2010	—				
Year ending March 31, 2010 (Forecast)		4,000.00	—	4,000.00	8,000.00

(Note) Revision of dividend forecasts: No

### 3. Financial Forecasts for the Fiscal Year Ending March 31, 2010 (April 1, 2009 – March 31, 2010)

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

	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, 2009	3,750 $\triangle$ 34.0%	470 $\triangle$ 47.6%	490 $\triangle$ 47.0%	300 $\triangle$ 45.6%	4,876.38
Year ending March 31, 2010	8,500 4.3%	1,100 2.1%	1,130 1.0%	700 74.4%	11,378.29

(Note) Revision of financial forecasts: No

### 4. Others

(1) Adoption of simplified accounting policies and accounting policies specific to the preparation of quarterly financial statements: Yes  
Note: For details, refer to “【Qualitative Information and Financial Statements】 4. Others” on page 3.

(2) Changes in accounting principles and procedures and the presentation method, etc. associated with the preparation of quarterly financial statements

1. Changes associated with changes in accounting standards: No

2. Other changes: No

(3) Number of shares outstanding (Ordinary shares)

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

June 30, 2009: 63,130 shares    March 31, 2009: 63,118 shares

2. Number of treasury stocks at the end of term

June 30, 2009: 1,597 shares    March 31, 2009: 1,597 shares

3. Average number of shares during the period

June 30, 2009: 61,528 shares    June 30, 2008: 62,818 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 forecast results 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 “【Qualitative Information and Financial Statements】 3. Qualitative Information on Business Forecasts” on page 4 in relation to above-mentioned forecasts.

## **【Qualitative Information and Financial Statements】**

### **1. Qualitative Information on Operation Results**

A summary of the Company's operating results for the first quarter of the fiscal year under review is as follows.

In the electronic components industry, a recovery in demand has become evident. Inventory adjustment for certain electronic components used mainly for personal computers, mobile phones, and flat-screen TVs now appears to be complete, an indication that demand for these products is beginning to improve.

In this environment, the Company significantly exceeded its initial sales forecast for the term, bolstered in particular by stronger demand for the above products, reflecting steady overseas demand for the plating chemicals used in package substrates. Demand for plating chemicals used in lead frames also held firm. In addition, demand for non-electrolytic plating chemicals that enhance the performance of semiconductor package substrates used in personal computers and mobile phones remained strong.

As a result, the Company recorded sales of ¥1,832,395 thousand, down 37.2% year-on-year, operating income of ¥341,519 thousand, falling 37.0%, ordinary income of ¥359,355 thousand, a decline of 36.5%, and net income of ¥217,364 thousand, down 36.0%.

The breakdown of sales by final products was ¥790,091 thousand from printed circuit boards and semiconductor substrates, ¥459,256 thousand from connectors and micro-switches, ¥467,285 thousand from lead frames, and ¥115,761 thousand from others.

### **2. Qualitative Information on Financial Position**

#### **(1) Changes in Assets, Liabilities and Net Assets**

##### **(Assets)**

Current assets rose ¥248,586 thousand from the end of the previous fiscal year, to ¥4,833,992 thousand. This increase was primarily attributable to an increase of ¥469,460 thousand in notes and accounts receivable, offsetting a decline of ¥231,151 thousand in cash and deposits.

Fixed assets rose ¥220,610 thousand from the end of the previous fiscal year, to ¥2,008,605 thousand. This rise was primarily attributable to an increase of ¥323,542 thousand in investment securities, offsetting a fall of ¥103,939 thousand in deferred tax assets.

As a result, total assets climbed ¥469,197 thousand from the end of the previous fiscal year, to ¥6,842,597 thousand.

##### **(Liabilities)**

Current liabilities rose ¥269,781 thousand from the end of the previous fiscal year, to ¥482,884 thousand. This rise was primarily attributable to an increase of ¥116,105 thousand in notes and accounts payable and ¥143,235 thousand in income tax payable.

Fixed liabilities rose ¥29,639 thousand from the end of the previous fiscal year, to ¥169,079 thousand. This rise was primarily attributable to an increase of ¥24,419 thousand in deferred tax liabilities and ¥5,220 thousand in the reserve for Director's retirement benefits.

As a result, total liabilities climbed ¥299,421 thousand from the end of the previous fiscal year, to ¥651,964 thousand.

##### **(Net assets)**

Total net assets rose ¥169,776 thousand from the end of the previous fiscal year, to ¥6,190,633 thousand. This rise was primarily attributable to an increase of ¥190,044 thousand in stock valuation differential.

#### **(2) Analysis of Cash Flows**

Cash and cash equivalent (net cash) at the end of the first quarter of the fiscal year under review fell ¥231,151 thousand from the end of the previous fiscal year, to ¥3,246,647 thousand. Cash flows during the first quarter under review are as follows:

##### **(Cash flow from operating activities)**

Net cash provided by operating activities amounted to ¥31,376 thousand, reflecting income before income taxes of ¥358,773 thousand, and an increase of ¥469,460 thousand in accounts receivable and ¥116,105 thousand in purchase liabilities.

##### **(Cash flow from investing activities)**

Net cash used in investing activities stood at ¥18,495 thousand, primarily attributable to an outlay of ¥5,756 thousand for capital investments and ¥3,120 thousand for acquiring investment securities.

(Cash flow from financing activities)

Net cash used in financing activities reached ¥244,032 thousand, primarily attributable to dividend payments of ¥246,084 thousand.

### **3. Qualitative Information on Business Forecasts**

Full-year business forecasts for the fiscal year ending on March 31, 2010 have not changed from the forecasts announced with the previous operating results on April 23, 2009.

### **4. Others**

(1) Adoption of simplified accounting policies and accounting policies specific to the preparation of quarterly financial statements

1. Simplified accounting policies

Omitted because the impact is not significant

2. Accounting policies specific to the preparation of quarterly financial statements

Not applicable

(2) Changes in accounting principles and procedures and the presentation method, etc. associated with the preparation of quarterly financial statements

Not applicable.

## 5. Financial Statements, etc.

### (1) Balance Sheet

(unit: thousands of yen)

	Current First Quarter (June 30, 2009)	Previous Fiscal Period (March 31, 2009)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,247,397	3,478,548
Notes and accounts receivable-trade	1,150,256	680,796
Merchandise and finished goods	75,098	66,097
Raw materials and supplies	109,717	94,644
Income taxes receivable	233,554	232,409
Other	17,967	32,908
Current assets	4,833,992	4,585,406
<b>Noncurrent assets</b>		
Property, plant and equipment	114,279	120,648
Intangible assets	29,296	27,838
Investments and other assets		
Investment securities	1,331,844	1,008,302
Other	533,184	631,205
Investments and other assets	1,865,029	1,639,507
Noncurrent assets	2,008,605	1,787,994
Assets	6,842,597	6,373,400
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	207,050	90,944
Income taxes payable	143,235	-
Provision for bonuses	32,250	63,000
Other	100,348	59,158
Current liabilities	482,884	213,103
<b>Noncurrent liabilities</b>		
Deferred tax liabilities	24,419	-
Provision for directors' retirement benefits	144,660	139,440
Noncurrent liabilities	169,079	139,440
Liabilities	651,964	352,543
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,279,182	1,278,156
Capital surplus	1,022,894	1,021,869
Retained earnings	4,147,605	4,176,324
Treasury stock	△421,730	△421,730
Shareholders' equity	6,027,951	6,054,620
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	121,071	△68,972
Valuation and translation adjustments	121,071	△68,972
Subscription rights to shares	41,610	35,209
Net assets	6,190,633	6,020,857
Liabilities and net assets	6,842,597	6,373,400

## (2) Quarterly Profit &amp; Loss Statement

(unit: thousands of yen)

	Previous First Quarter (April 1, 2008 - June 30, 2008)	Current First Quarter (April 1, 2009 - June 30, 2009)
Net sales	2,917,182	1,832,395
Cost of sales	2,137,498	1,258,307
Gross profit	779,683	574,088
Selling, general and administrative expenses	237,286	232,569
Operating income	542,396	341,519
Non-operating income		
Interest income	2,900	3,242
Dividends income	18,398	14,523
Other	2,835	308
Non-operating income	24,134	18,074
Non-operating expenses		
Other	1,046	238
Non-operating expenses	1,046	238
Ordinary income	565,484	359,355
Extraordinary loss		
Loss on sales of noncurrent assets	-	582
Extraordinary loss	-	582
Income before income taxes	565,484	358,773
Income taxes-current	193,312	139,854
Income taxes-deferred	32,708	1,554
Income taxes	226,021	141,409
Net income	339,463	217,364

## (3) Cash Flows

(unit: thousands of yen)

	Previous First Quarter (April 1, 2008 - June 30, 2008)	Current First Quarter (April 1, 2009 - June 30, 2009)
<b>Net cash provided by (used in) operating activities</b>		
Income before income taxes	565,484	358,773
Depreciation and amortization	19,349	14,351
Interest and dividends income	△21,298	△17,766
Decrease (increase) in notes and accounts receivable-trade	61,044	△469,460
Decrease (increase) in inventories	41,961	△24,074
Increase (decrease) in notes and accounts payable-trade	△17,619	116,105
Other, net	22,676	36,825
Subtotal	671,598	14,755
Interest and dividends income received	21,298	17,766
Income taxes paid	△471,250	△1,145
Net cash provided by (used in) operating activities	221,646	31,376
<b>Net cash provided by (used in) investing activities</b>		
Purchase of property, plant and equipment	△46,618	△5,756
Purchase of investment securities	△54,850	△3,120
Other, net	△5,386	△9,618
Net cash provided by (used in) investing activities	△106,854	△18,495
<b>Net cash provided by (used in) financing activities</b>		
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	-	2,051
Purchase of treasury stock	△241,806	-
Cash dividends paid	△252,456	△246,084
Net cash provided by (used in) financing activities	△494,262	△244,032
Net increase (decrease) in cash and cash equivalents	△379,470	△231,151
Cash and cash equivalents at beginning of the period	3,359,927	3,477,799
Cash and cash equivalents at end of the period	2,980,457	3,246,647