



JAPAN PURE CHEMICAL CO.,LTD

Presentation Material

1st Quarter Financial Report Ended June 30,2008

Fiscal Year Ending March 31,2009

< July 2008 >

# 1. 1st Quarter Review for March 2009 Term

CS by CS

Customers Satisfaction by Challenge & Speed

(Unit : Millions of yen)

Term	1 <sup>st</sup> Q FY2008	y-y % Change	1 <sup>st</sup> Q FY2009	y-y % Change
Sales	2,680	12.0	2,917	8.8
Gross Profit (A)	742	1.9	779	5.0
SGA (B)	224	7.6	237	5.6
B/A	30.2	-	30.4	-
Operating Income	518	▲0.4	542	4.7
C/A	69.8	-	69.6	-
Ordinary Income	529	1.5	565	6.9
Income before income taxes	529	1.5	565	6.9
Net Income	320	2.0	339	6.1

### Business environment in the electronic components industry

- Slowing demand for PCs, mobile phones and digital home appliances such as flat-screen TVs

### 1. Printed circuit boards and semiconductor substrates / Connectors

- A declining trend was seen in the demand for plating chemicals used in mobile phones, digital cameras, flat-screen TV motherboards, flexible substrates and connectors
  - ⇒ In China, however, demand in the 1st quarter surged thanks to accelerated orders in preparation for the 2008 Beijing Olympics

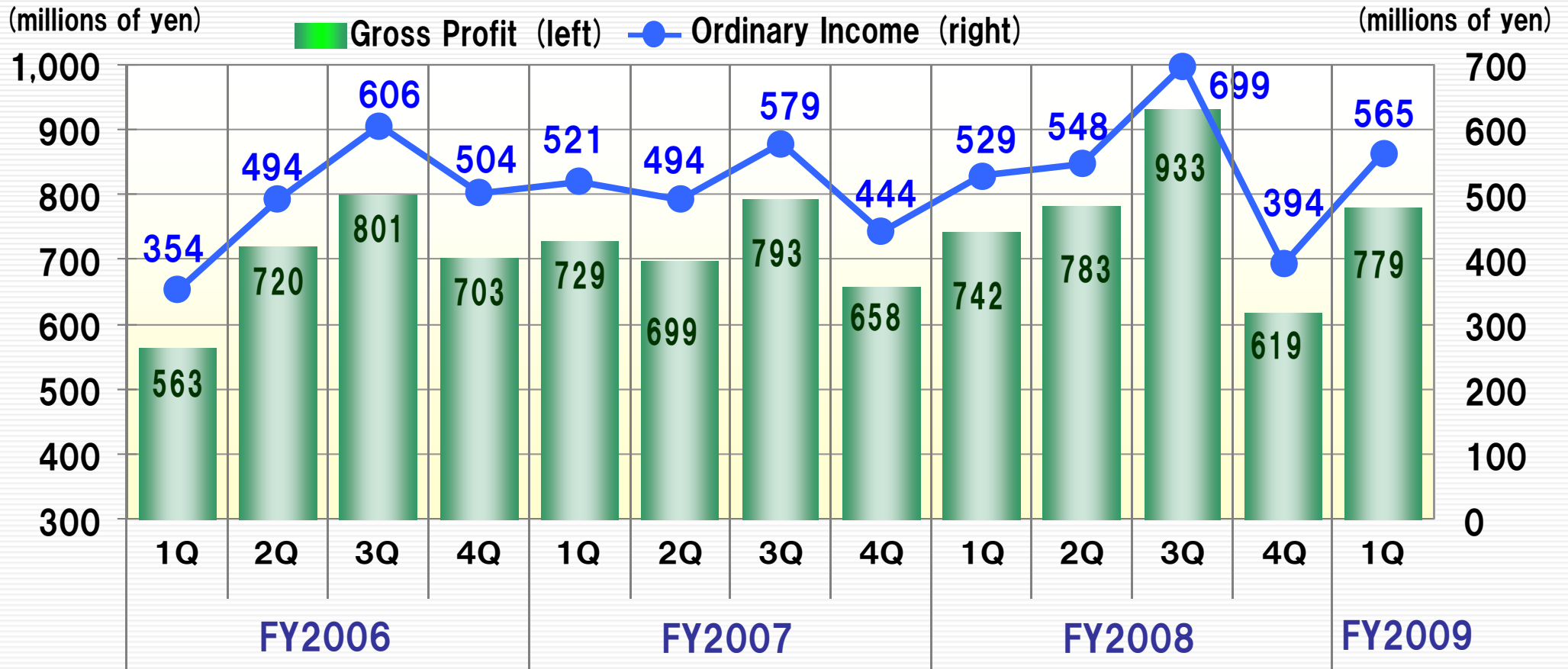
### 2. Lead frames

- Demand for palladium pre-plated lead frames (PPFs) was consistently strong

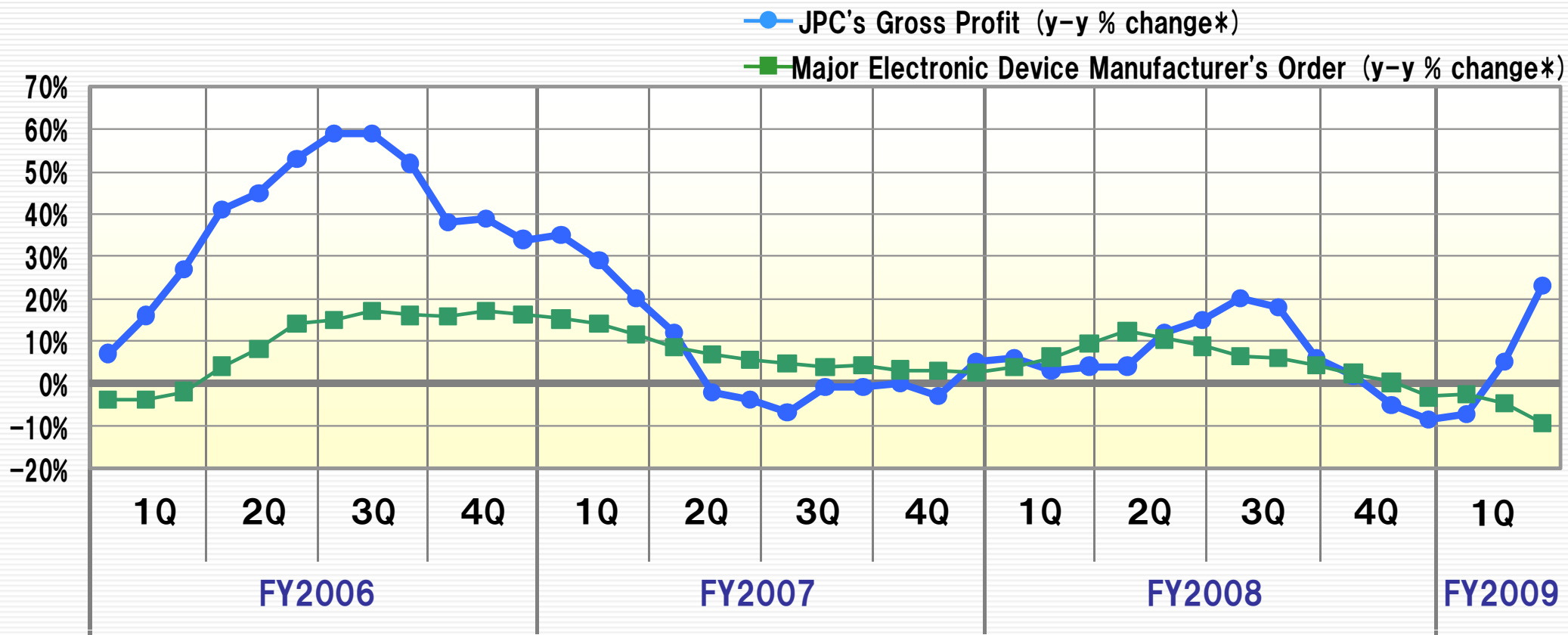
# 3. Trends of Gross Profit and Ordinary Income

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Customers Satisfaction by Challenge & Speed



# 4. Trends of Major Electronic Device Manufacturers' Order Vs. JPC's Gross Profit



•Source: Shinko Securities Co., Ltd. Corporate Research Department "Monthly Report on Electronic Component Manufacturers' Orders"

(June 2008 figure is year on year % change, based on preliminary data provided by 10 out of 15 companies.)

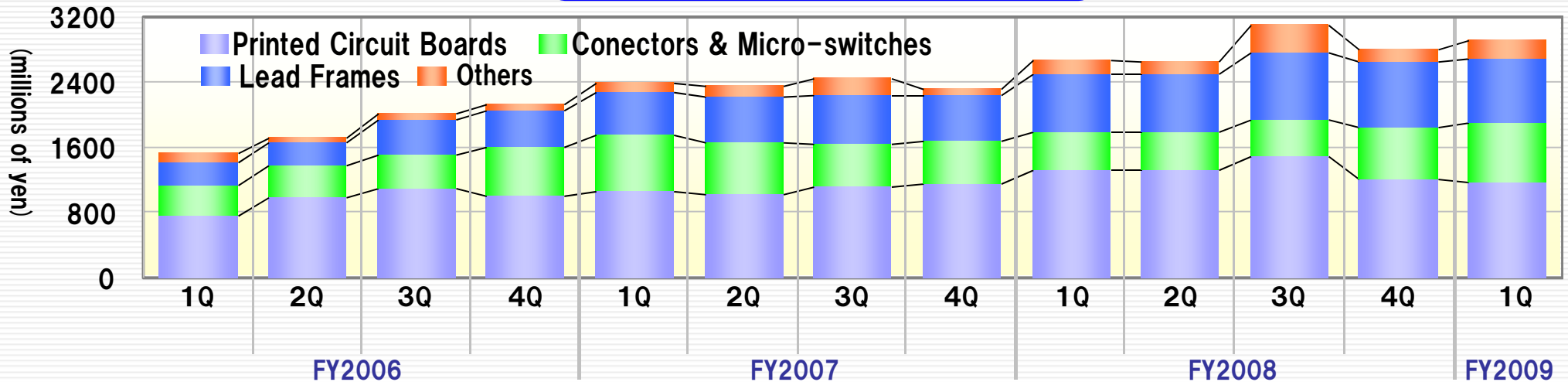
•Note 1: JPC's Gross Profits. To avoid fluctuations due to the precious metal market price, calculations are based on gross profit rather than sales. (June 2008 figure is year on year % change.)

# 5. Sales Trends by Products and Regions

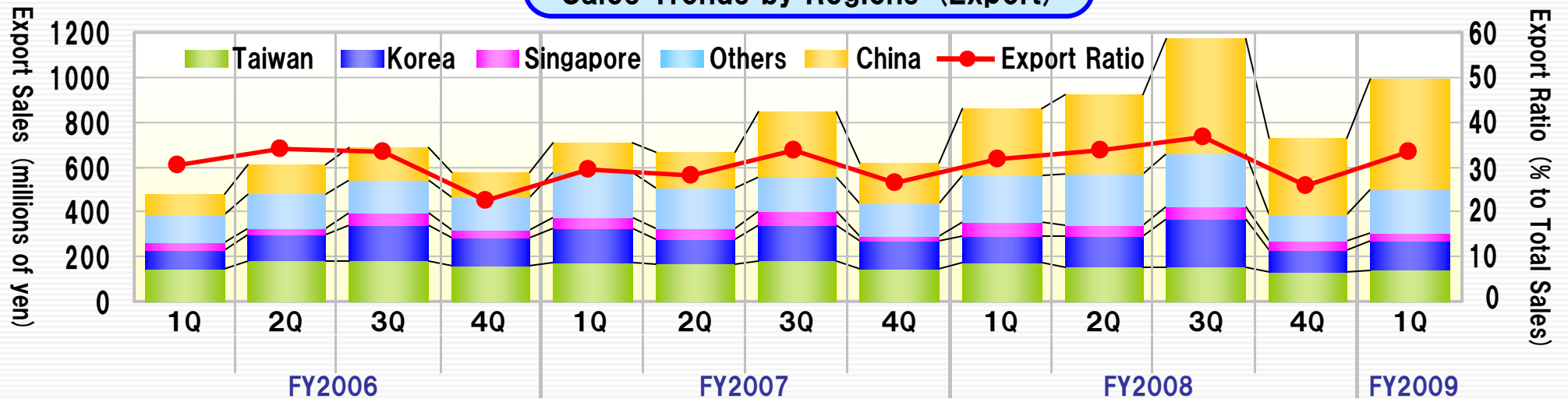
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Customers Satisfaction by Challenge & Speed

Sales Trend by Products



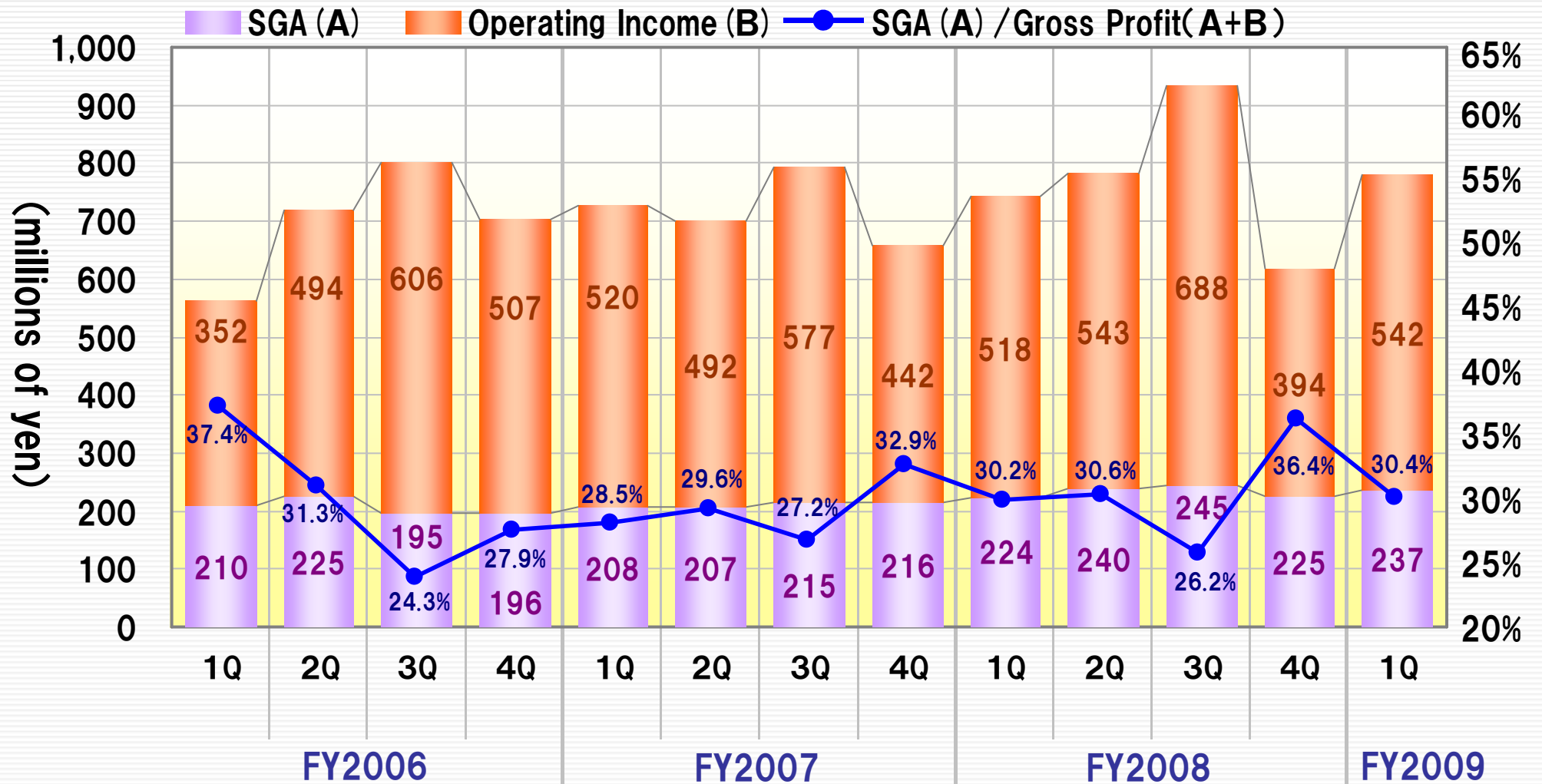
Sales Trends by Regions (Export)



# 6. Trends of SGA & Operating Income

CS by CS

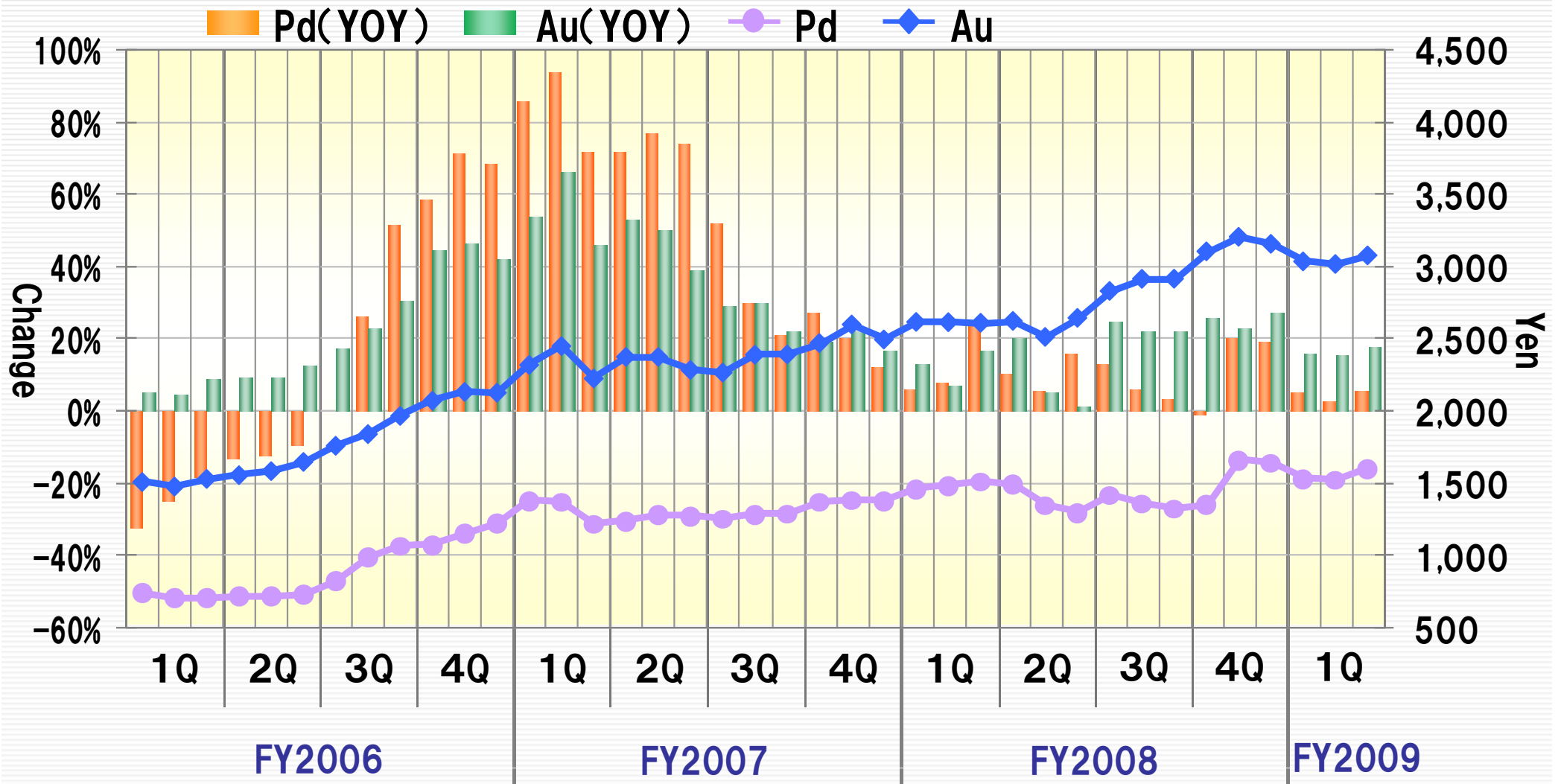
Customers Satisfaction by Challenge & Speed



# 7. Market Trends for Gold (Au) and Palladium (Pd)

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# 8. Quarterly Financial Summary ~ ① Balance Sheet ~

CS by CS

Customers Satisfaction by Challenge & Speed

(Unit: Thousands of yen)

	2007.6	2007.9	2007.12	2008.3	2008.6
<b>Assets</b>					
Current Assets	4,991,614	5,571,998	5,530,709	5,735,823	5,216,447
Cash and deposits	2,689,103	3,137,415	2,950,842	3,360,675	2,981,205
Account receivables	1,986,046	2,079,491	2,133,906	1,995,436	1,934,391
Inventories	282,295	287,592	400,945	303,300	260,184
Others	34,168	67,500	45,014	76,408	40,665
Fixed Asset	2,143,823	2,123,992	1,983,034	2,051,633	2,133,534
Tangible Fixed Assets	117,937	115,558	106,804	136,124	144,327
Intangible Fixed Assets	51,710	42,997	42,997	36,921	32,528
Investments and others Assets	1,974,175	1,965,436	1,833,233	1,878,588	1,956,678
<b>Total Assets</b>	<b>7,135,437</b>	<b>7,695,991</b>	<b>7,513,745</b>	<b>7,787,456</b>	<b>7,349,982</b>
<b>Liabilities</b>					
Current Liabilities	741,808	936,404	819,681	1,066,031	750,916
Accounts payable	422,103	365,928	419,281	441,950	424,330
Income tax payable	180,202	447,988	287,932	479,925	196,652
Others	139,502	122,487	112,467	144,154	129,933
Fixed Liabilities	284,080	280,184	183,290	117,442	123,780
Reserve for director's retirement benefits for service	101,530	106,834	112,138	117,442	123,780
Others	182,550	173,350	71,151	-	-
<b>Total Liabilities</b>	<b>1,025,889</b>	<b>1,216,588</b>	<b>1,002,971</b>	<b>1,183,473</b>	<b>874,696</b>
<b>Net Assets</b>					
<b>Total Net Assets</b>	<b>6,109,548</b>	<b>6,479,402</b>	<b>6,510,773</b>	<b>6,603,982</b>	<b>6,475,285</b>
<b>Total Liabilities and Net Assets</b>	<b>7,135,437</b>	<b>7,695,991</b>	<b>7,513,745</b>	<b>7,787,456</b>	<b>7,349,982</b>

# 8. Quarterly Financial Summary ~ ② Income Statement ~

CS by CS

Customers Satisfaction by Challenge & Speed

(Unit: Thousands of yen)

	2007 (4~6)	2007 (7~9)	2007 (10~12)	2008 (1~3)	2008 (4~6)
Sales	2,680,399	2,659,901	3,107,755	2,820,680	2,917,182
Cost of sales	1,937,511	1,876,187	2,173,945	2,201,326	2,137,498
Gross profit	742,888	783,714	933,809	619,355	779,683
Selling, general and administrative expenses	224,750	240,335	245,096	225,294	237,286
Operating income	518,137	543,379	688,712	394,061	542,396
Non-operating profit	11,332	6,103	11,249	2,717	24,134
Non-operating expenses	372	654	898	3,603	1,046
Ordinary income	529,097	548,828	699,064	393,175	565,484
Extraordinary income	-	-	-	-	-
Extraordinary expenses	-	-	-	16,236	-
Quarterly net income before income taxes	529,097	548,828	699,064	376,938	565,484

# 9. March 2009 Term Financial Forecasts (Progress)

CS by CS

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(Unit: Millions of yen, yen,%)

	1 <sup>st</sup> Q FY2008 (Results)	1 <sup>st</sup> Q FY2009 (Results) (A)	y-y % Change	1 <sup>st</sup> Half FY2009 (Estimates) (B)	Progress (A/B)	FY2009 (Estimates) (C)	Progress (A/C)
Sales	2,680	2,917	8.8	5,270	55.4	11,280	25.9
Operating Income	518	542	4.7	971	55.9	2,146	25.3
Ordinary Income	529	565	6.9	985	57.4	2,174	26.0
Net Income	320	339	6.1	593	57.2	1,307	26.0
Net Income Per Share	5,093.41	5,403.92	-	9,395.70	-	20,708.56	-

The materials used in the preparation of forecast results and future predictions are based upon predicted trends in the industries related to our Company's operations. Accordingly economic conditions both within Japan and abroad, fluctuations in exchange rates and other factors may influence forecast results. The predictions and forecasts made are based upon the information available as of July 2008.

There are a number of factors that cannot be predicted with certainty which may have an influence on these forecasts, including market conditions, competitors' actions, the performance of newly introduced products and services and the global market surrounding the IT industry in general. Accordingly, actual results may vary significantly from the forecast figures presented in the provided materials and forecast accounts figures.

## For Further Information

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