



Financial Report for
the 1st Quarter Ended June 30, 2010

 **JAPAN PURE CHEMICAL CO., LTD.**

Financial Results

◆ Key Points in Assessing JPC's Performance

- Sales revenues vary greatly depending on whether precious metals are sold.
- Prices of precious metals affect JPC's sales because they fluctuate greatly and are expensive.
- When assessing JPC's performance, the focus should be on gross profit rather than sales.

Yen (millions)

Period	FY2009 (Apr-Jun 2009)	FY2010		
		(Apr-Jun 2010)	Year-on-year % change	Achievement rate against the first-half forecasts
Net sales	1,832	2,656	45.0	63.4
Operating income	341	382	12.0	50.9
Ordinary income	359	401	11.7	52.1
Net income	217	231	6.6	51.3

- Brisk demand for hard gold plating solutions for high-precision connectors and palladium plating solutions for lead frames
- Recovery in demand for plating chemicals for semiconductor package substrates and motherboards for mobile phones in overseas markets

Yen (millions)

	FY2009 (Apr-Jun 2009)	FY2010	
		(Apr-Jun 2010)	Year-on-year % change
Net sales	1,832	2,656	45.0
Gross profit	574	607	5.9
Selling, general and administrative expenses	232	225	-3.0
Operating income	341	382	12.0
Non-operating income + Non-operating expenses	17	19	7.7
Ordinary income	359	401	11.7
Extraordinary income + Extraordinary expenses	0	※-19	-
Income before taxes	358	382	6.5
Net income	217	231	6.6

* Adoption of “Accounting Standard for Asset Retirement Obligations”

Estimated cost of repairs to JPC’s headquarters building (lease property): ¥25million

Costs incurred over the past years were reported as extraordinary expenses.

Gross Profit and Ordinary Income

CS by CS

Customers Satisfaction by Challenge & Speed

Yen (millions)

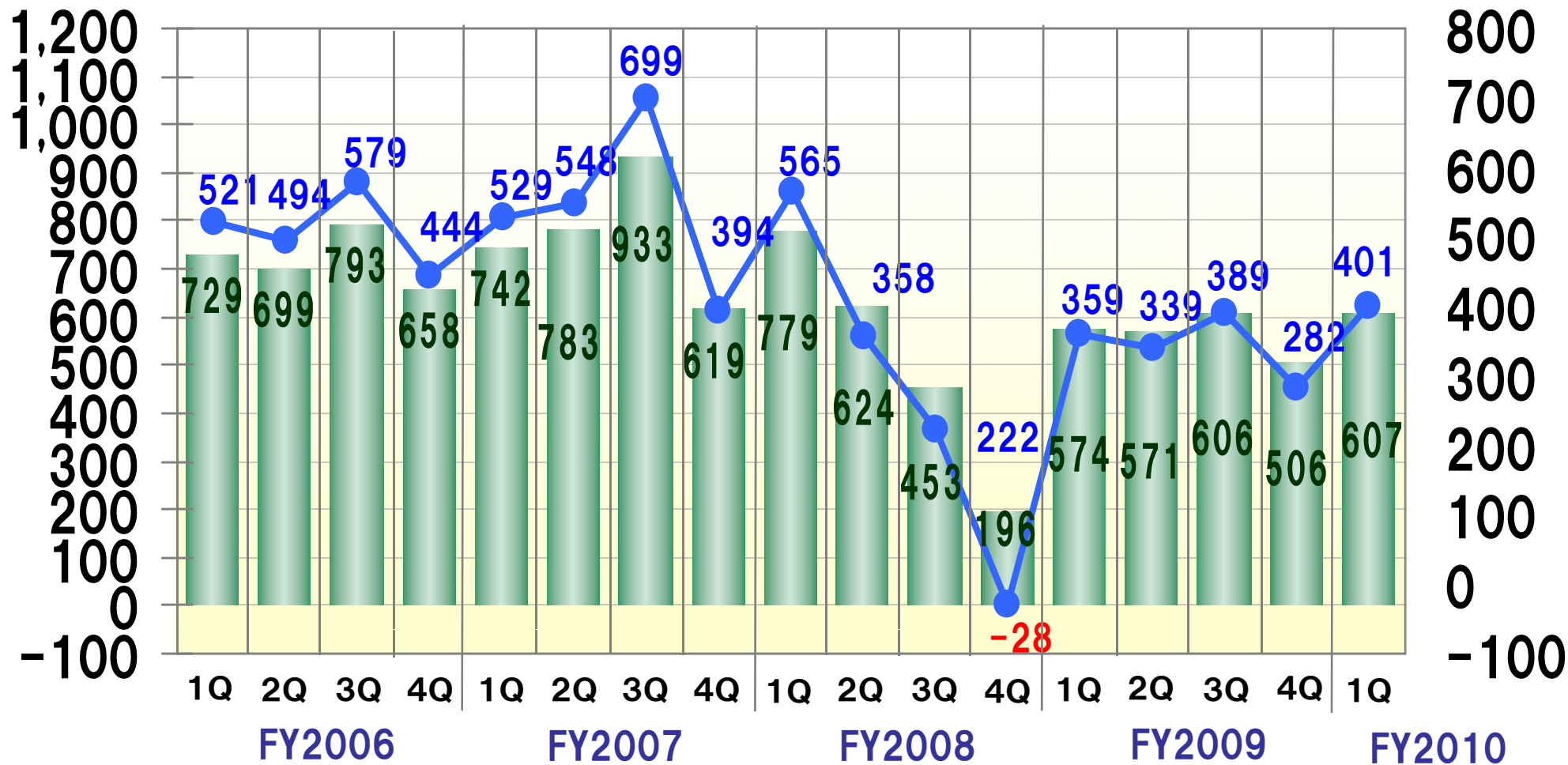


Gross Profit (left)



Ordinary Income (right)

Yen (millions)



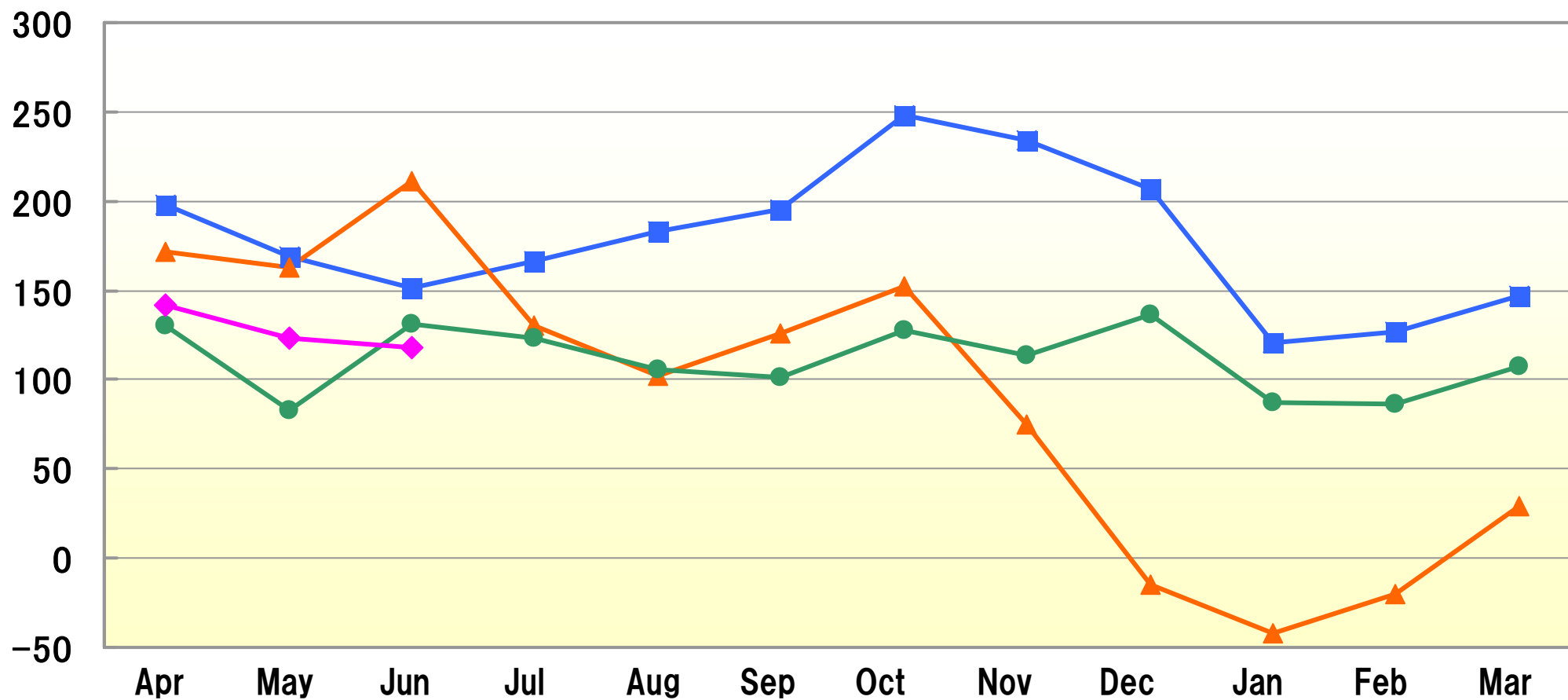
Operating Income (4 years)

CS by CS

Customers Satisfaction by Challenge & Speed

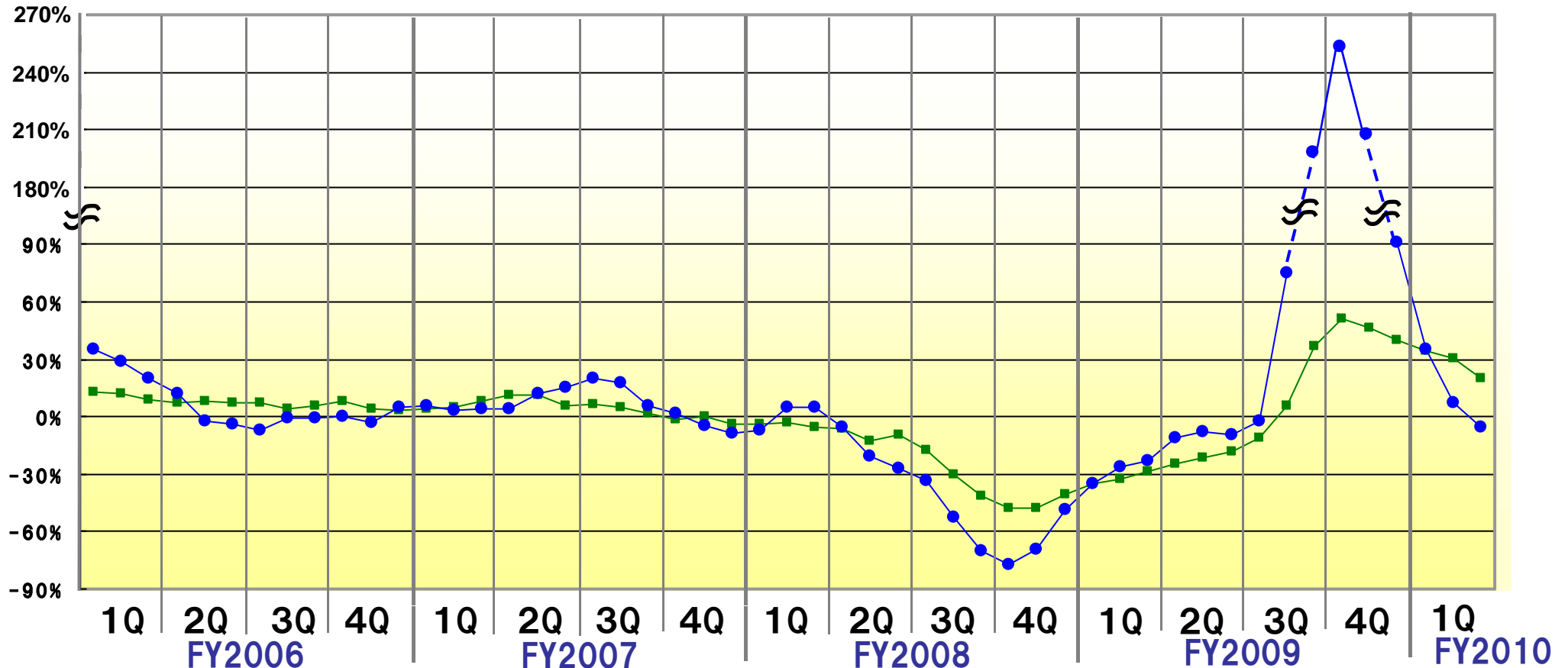
Yen (millions)

■ FY2007 ▲ FY2008 ● FY2009 ◆ FY2010



Major Electronic Device Manufacturers' Orders Vs. JPC's Gross Profit

- JPC's Gross Profit (year-on-year % change*)
- Major Electronic Device Manufacturers' Orders (year-on-year % change*)



•Source: UBS "Electronic Components Monthly Data" surveys

*Average for 12 companies

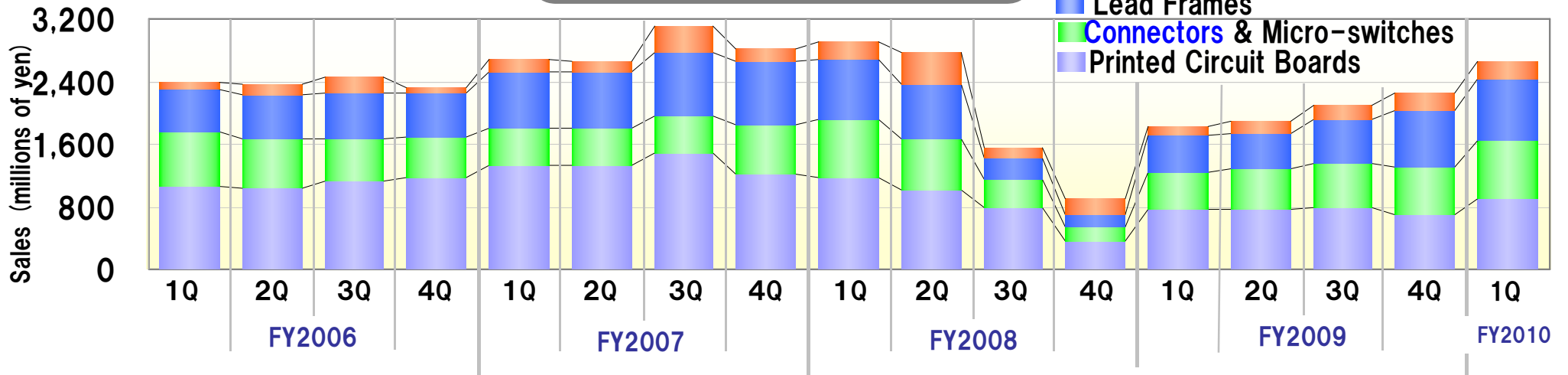
•JPC's Gross Profit: To avoid fluctuations due to market prices of precious metals, calculations are based on gross profit rather than sales. ※Figures comparing year-on-year % changes* are averaged over three months, except for the figures for June 2010, which were compared to those for June 2009 on a month-to-month basis, because data for July 2010 are not available yet.

Sales by Product and Region

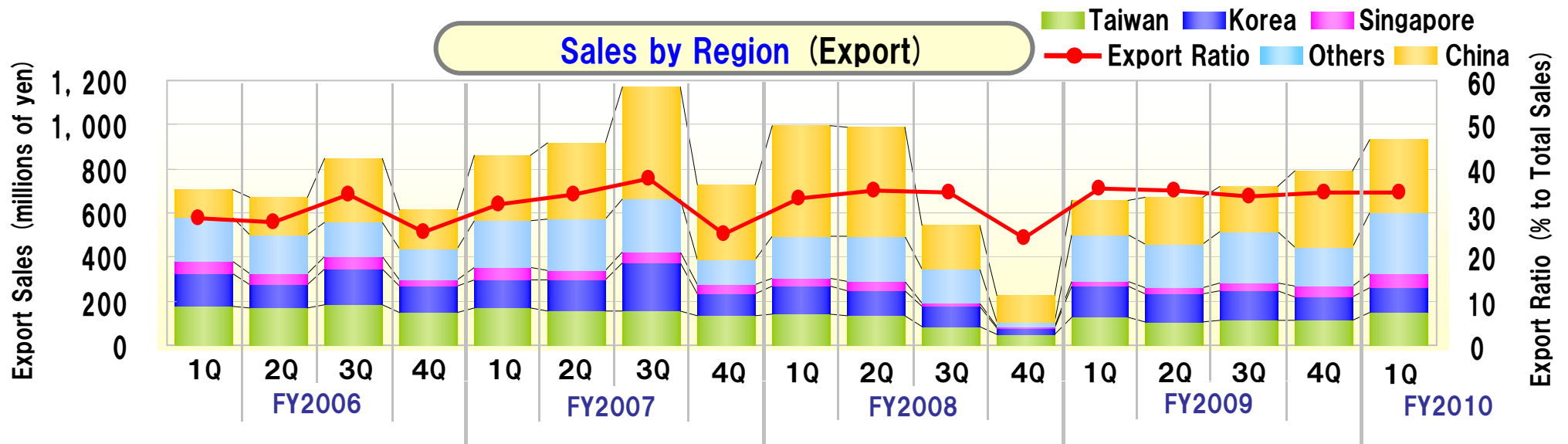
CS by CS

Customers Satisfaction by Challenge & Speed

Sales by Product



Sales by Region (Export)



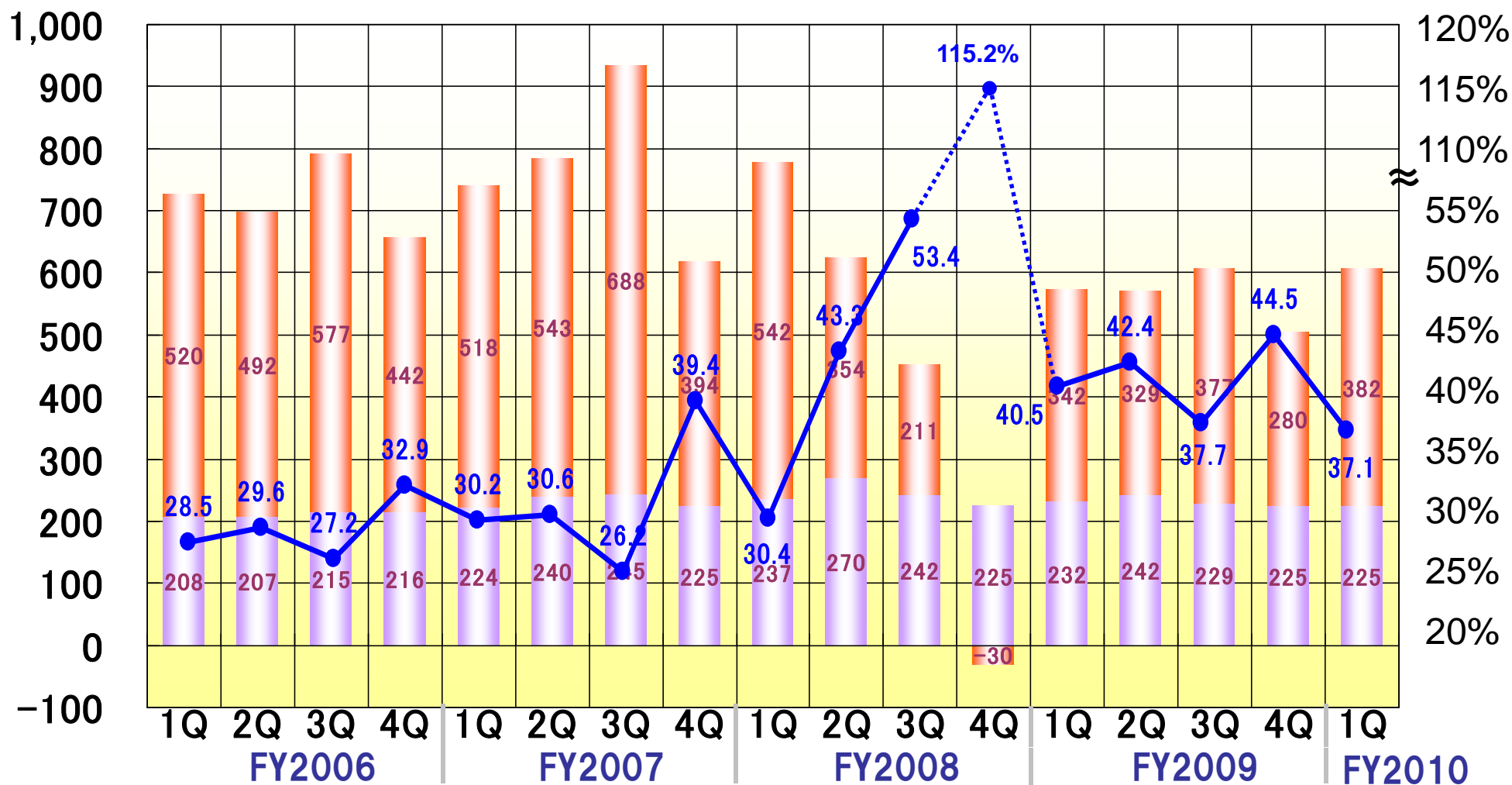
SGA & Operating Income

CS by CS

Customers Satisfaction by Challenge & Speed

Yen (millions)

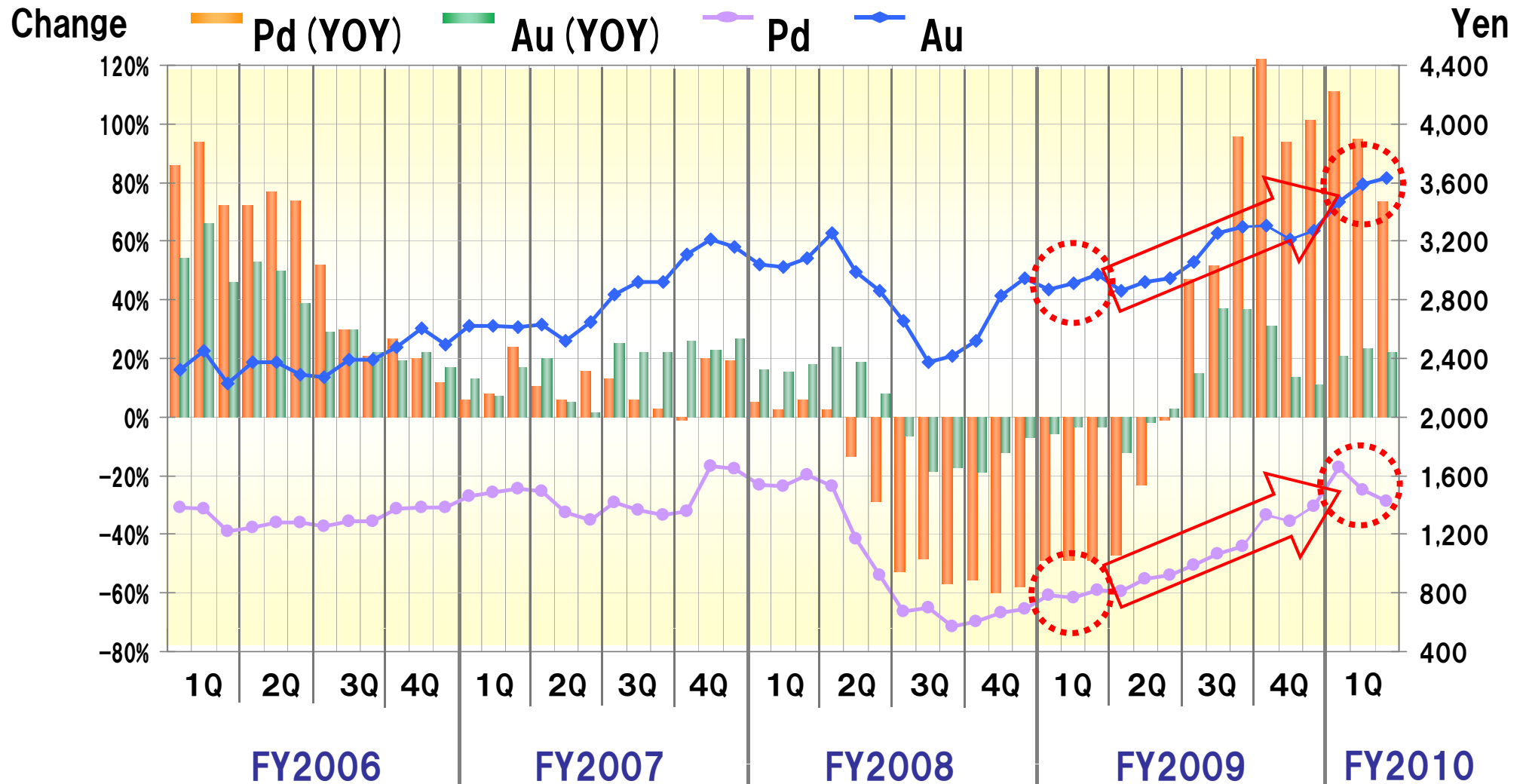
SGA (A) Operating Income (B) SGA (A) / Gross Profit (A+B)



Market Trends for Gold (Au) and Palladium (Pd)

CS by CS

Customers Satisfaction by Challenge & Speed



Yen (millions)

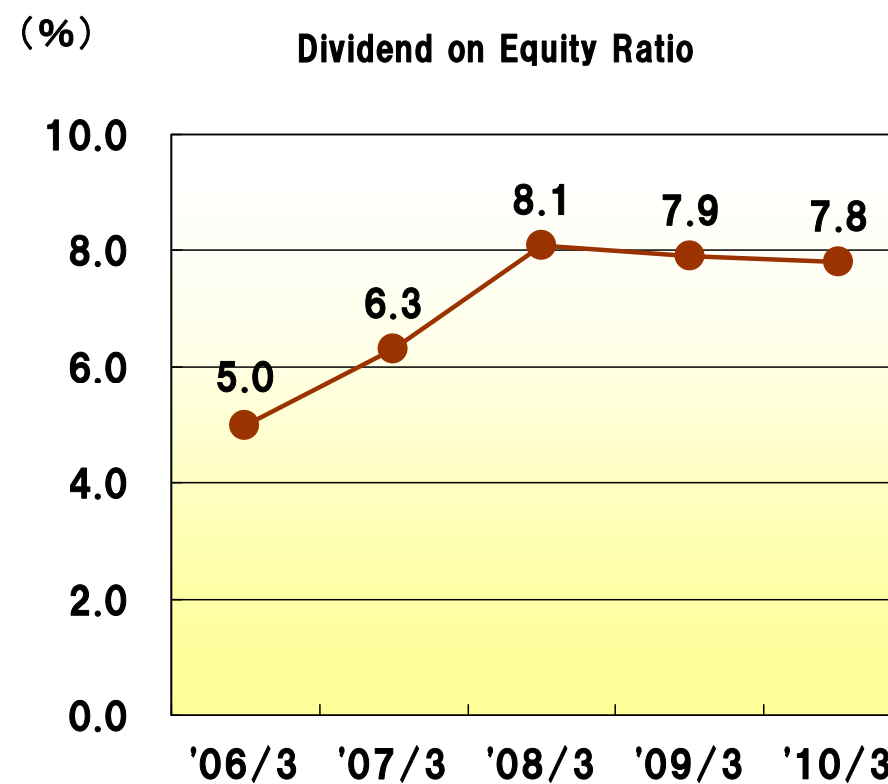
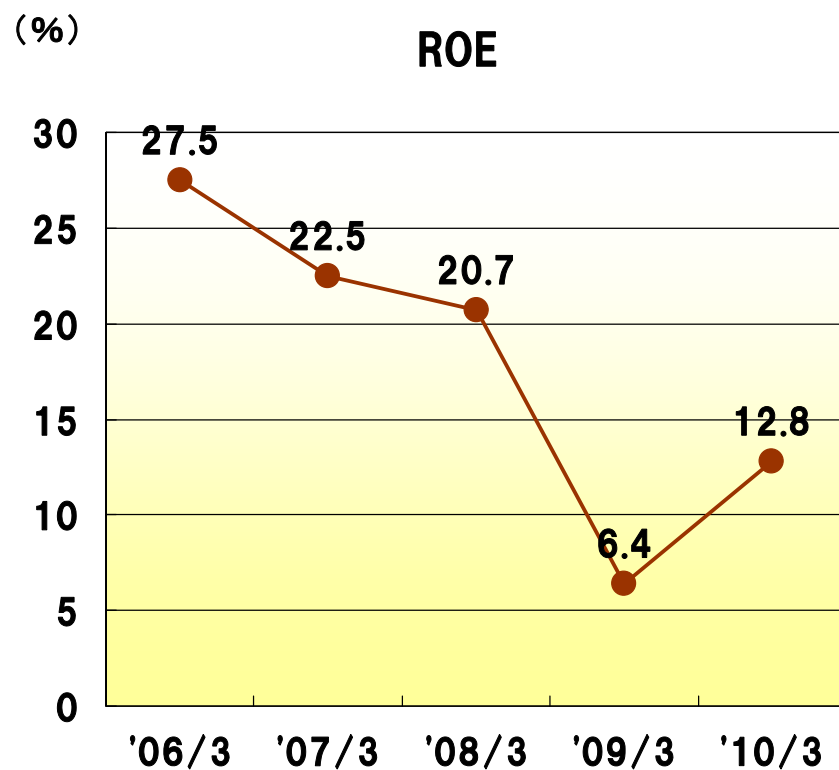
Period	First Half (Apr-Sept 2010)	Fiscal Year	
		(Apr 2010-Mar 2011)	Year-on-year % change
Net sales	4,190	8,380	3.6
Operating income	750	1,500	12.9
Ordinary income	770	1,540	12.4
Net income	450	900	11.9
Net income per share	7,313.15	14,626.30	-

Yen (millions)

Period	FY2009 Results	FY2010 Forecasts
Capital investment	58	90
Depreciation	65	70
R&D expenses	237	250

ROE

Dividend on Equity Ratio



The materials used in the preparation of forecasts of results and predictions are based upon predicted trends in the industries related to the Company's operations. Accordingly, economic conditions both in Japan and overseas, fluctuations in exchange rates and other factors may influence forecasts of results. The predictions and forecasts made are based upon the information available as of June 2010.

There are a number of factors that cannot be predicted with certainty that may have an influence on these forecasts, including market conditions, competitors' actions, the performance of newly introduced products and services, and the global IT market and related markets. Accordingly, actual results may vary significantly from the forecasts presented in this document.

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