



Investor Relations Presentation Material

JAPAN PURE CHEMICAL CO., LTD.

Masao Watanabe
President

April 2005



Corporate Summary

Company Summary



- 1. Business Summary:**
Development and Supply of Processing Chemical Formulations for Noble Metal Plating for Electronic Devices
- 2. Incorporated: 16th July, 1971**
- 3. Number of Employees: 36**
- 4. Sales: JPY 5.5Billion, Ordinary Profit: JPY 1.2Billion**
- 5. Paid-in Capital: JPY 1,134Million**
- 6. Equity Ratio: 79%, ROE: 23%, PER: 28x**

(as of FY2004)

JPC's Business Model



Necessity of Gold Plating



Electronic devices are composed of numerous components.

Gold plating gives corrosion protection to the surface of components.

<Physical Property>

1) Antirust

2) Low Electrical Resistance

Indispensable for Breaker Points



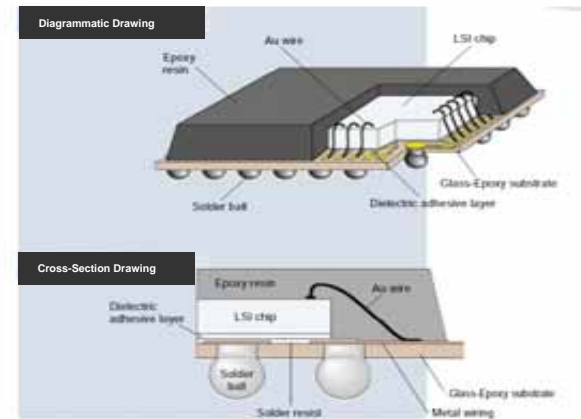
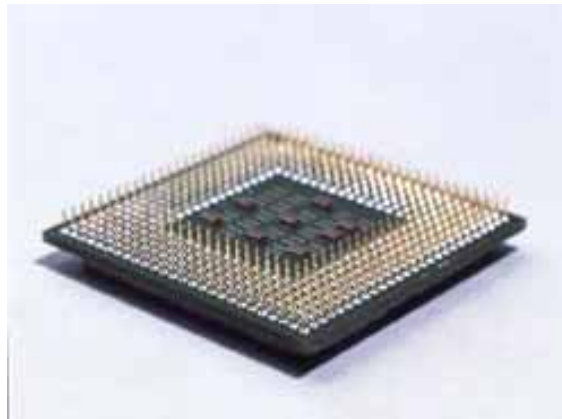
Major Business Products

Noble Metal Plating Formulation

PCB & BGA



Connector



Product Strengths

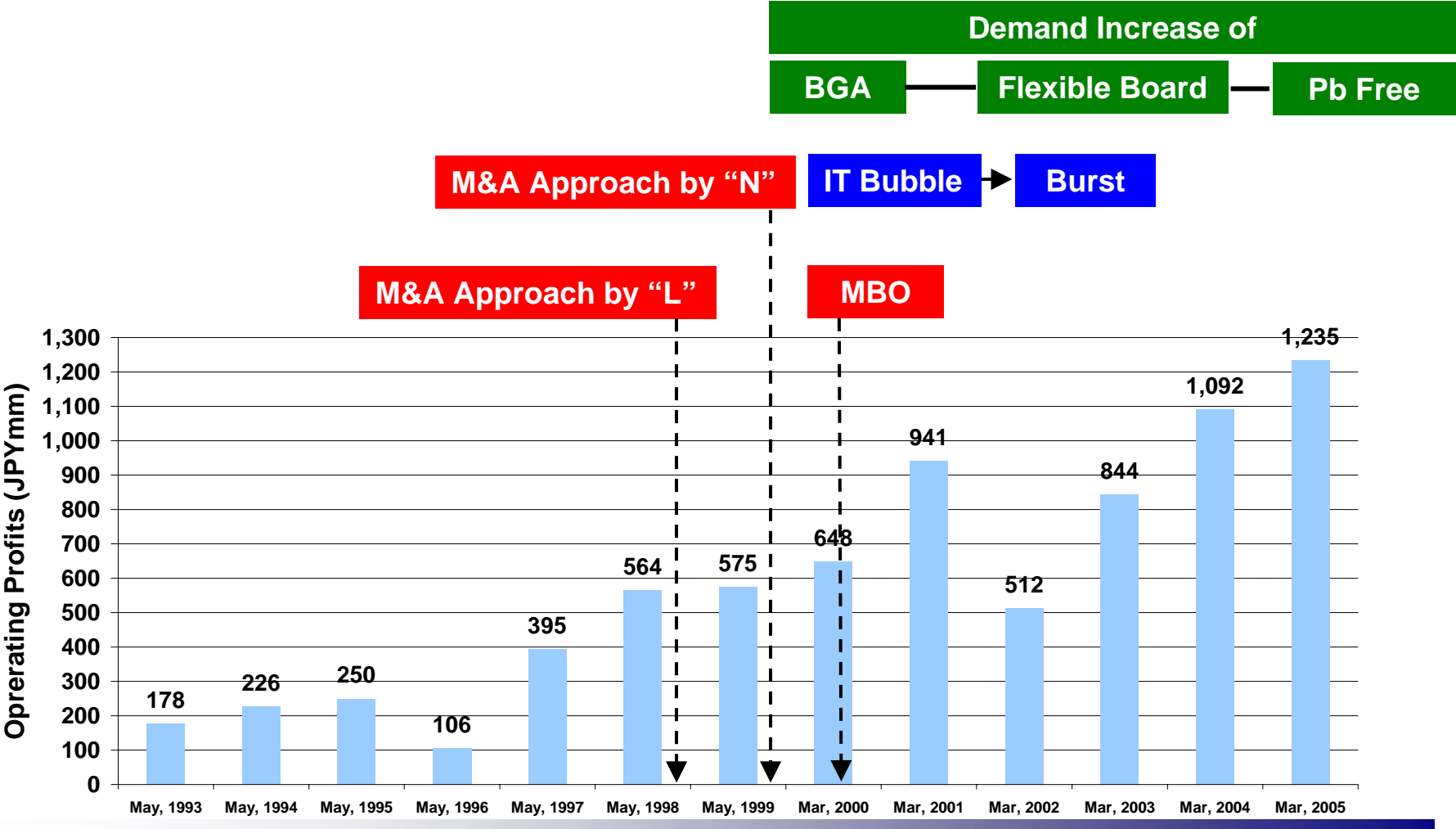


High Quality and Reliability

**Wide & Stable
Process Window**

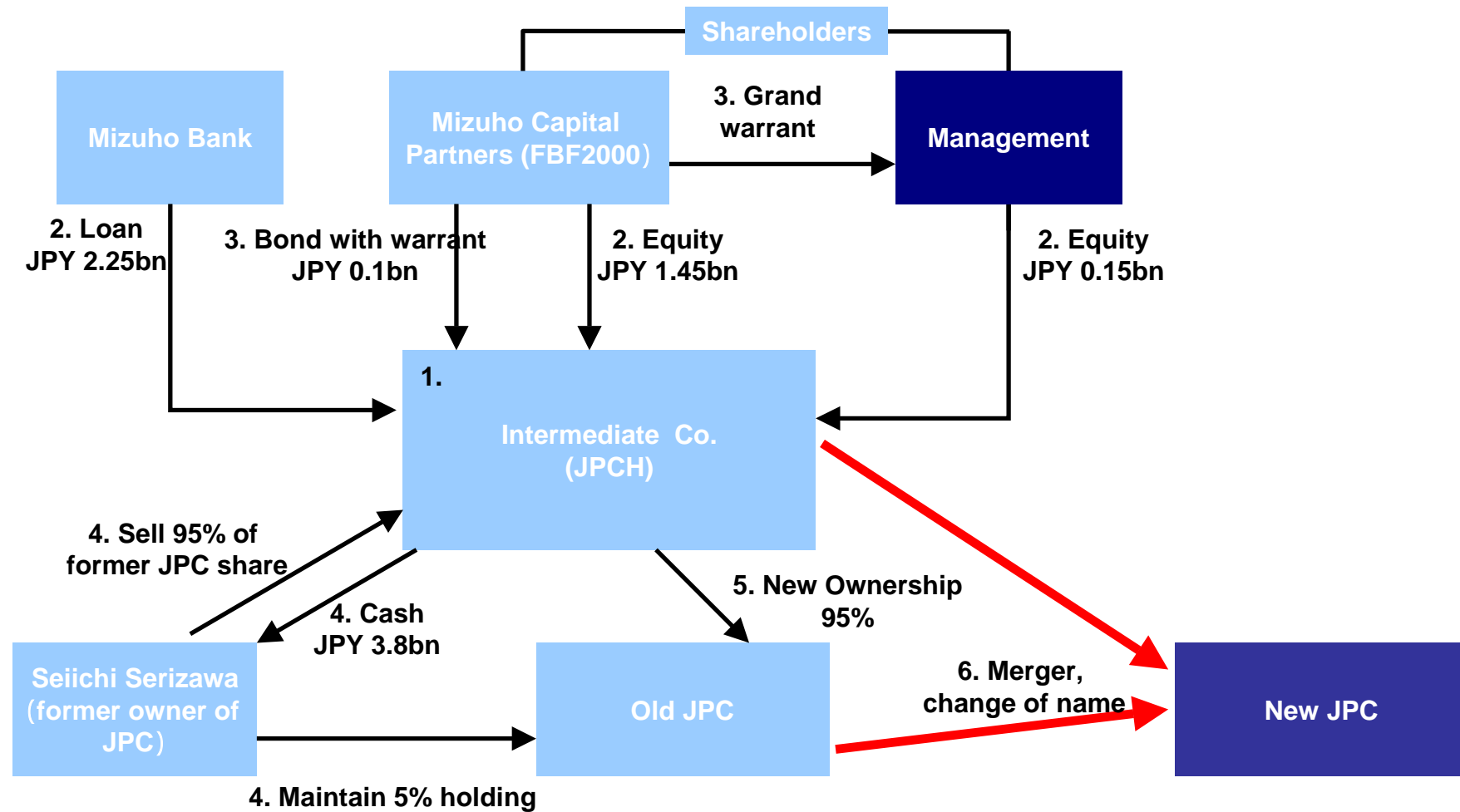
**Contribution to
Cost Reduction**
(Noble Metal Saving and
Process Yield Improvement)

Operating Profits & Corporate Events





Overview of MBO (Nov. 1999)



Recording of Goodwill & Shortening of Amortization



<p>Recording of Goodwill</p>	<p>JPY3,800M - JPY1,697M = JPY2,103M (Acquisition Cost) (Shareholder's Equity) (Goodwill)</p>	<p>FY2000</p>
<p>Amortization of Goodwill (Legal Period: 5Years)</p>	<p>JPY2,103M / 5Years JPY420Million / Year (Amortization Amount / Year)</p>	<p>FY2000 Non-operating Expenses</p>
<p>Acceleration of Amortization Period of Goodwill (5Years >2Years)</p>	<p>JPY2,103M / 2Years JPY1,051M / Year (Amortization Amount / Year) JPY1,051M - JPY420M = JPY631M (Amortization Amount in the Past Fiscal Year)</p> <p style="text-align: right;">Total JPY1,682M</p>	<p>FY2001 Non-operating Expenses Extraordinary Losses</p>
<p>Deferred Tax Effect (for 3 Years' Reduction)</p>	<p>Deferred tax assets are recognized for the Estimated future tax consequences attributable to differences between asset of financial statement and tax basis.</p>	<p>FY2001</p>

Ownership of MBO Fund & Total Market Capitalization



MBO
16th Nov, 1999
JPY 4,000M

Listed on JASDAQ
3rd Dec, 2002
5,390M

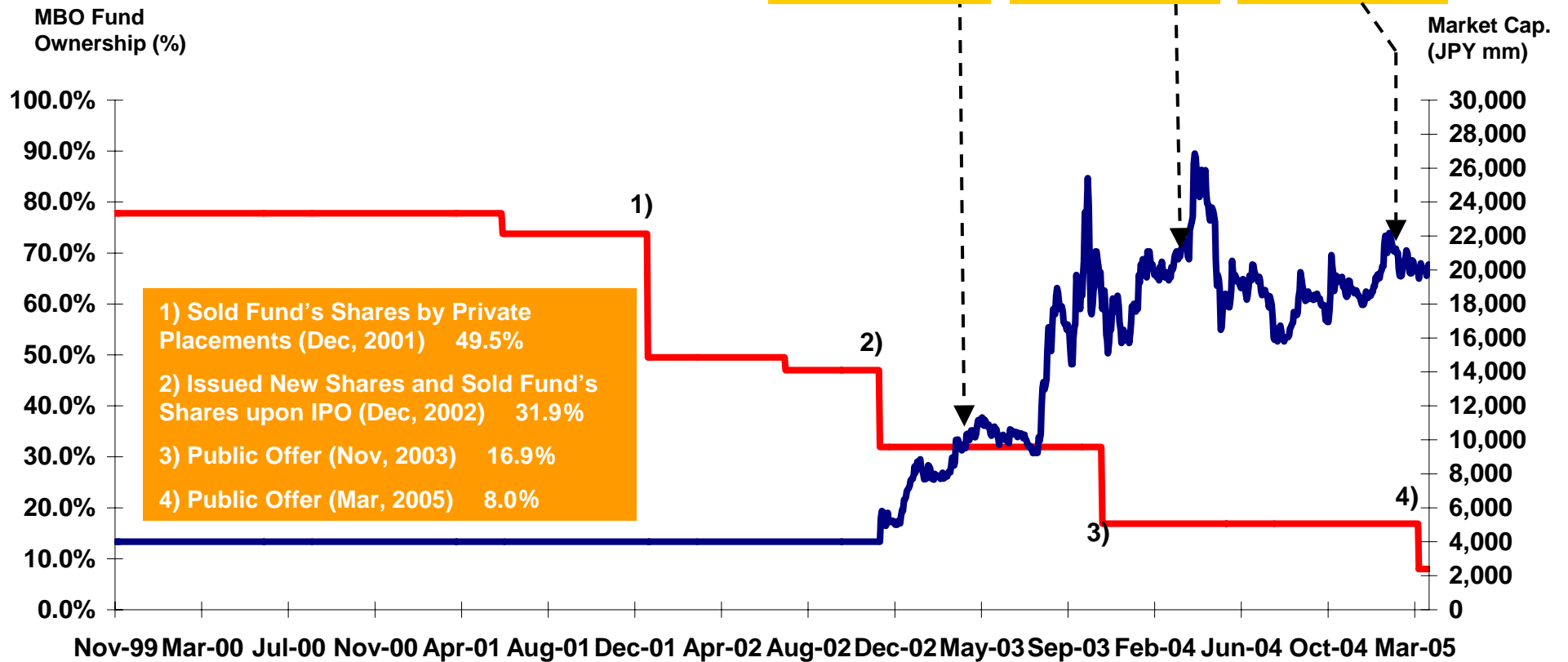
Listed on TSE 2
22nd Mar, 2004
21,406M

Listed on TSE 1
1st Mar, 2005
20,451M

31st Mar, 2003
JPY 8,485M

31st Mar, 2004
JPY 23,162M

31st Mar, 2005
JPY 20,328M





Financial Forecasts

FY2005 Forecasts

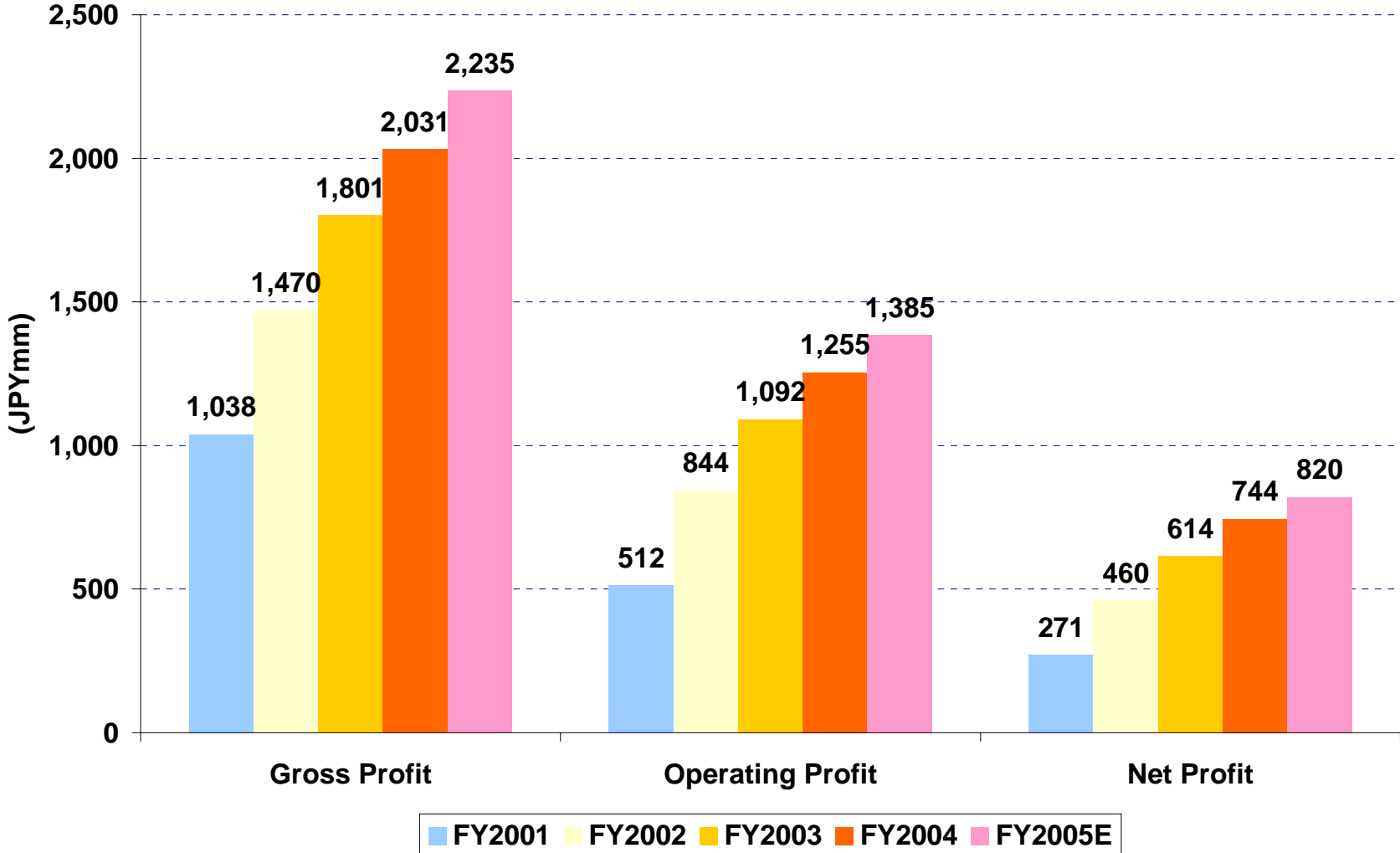


(JPY mm)					
Fiscal Year	FY2005E				
	P/L	1HF2005E	(%chg)	FY2005E	(%chg)
Sales Revenue	2,870	0	6,000	9	
Gross Profit	1,085	6	2,235	10	
Operating Profit	660	5	1,385	10	
Ordinary Profit	660	5	1,375	10	
Net Profit	400	6	820	10	
EPS	12,987	-	26,623	-	
Capex.	45		100		
Depreciation	48		99		
R&D	81		167		

FY2004 Annual Results & FY2005 Forecasts



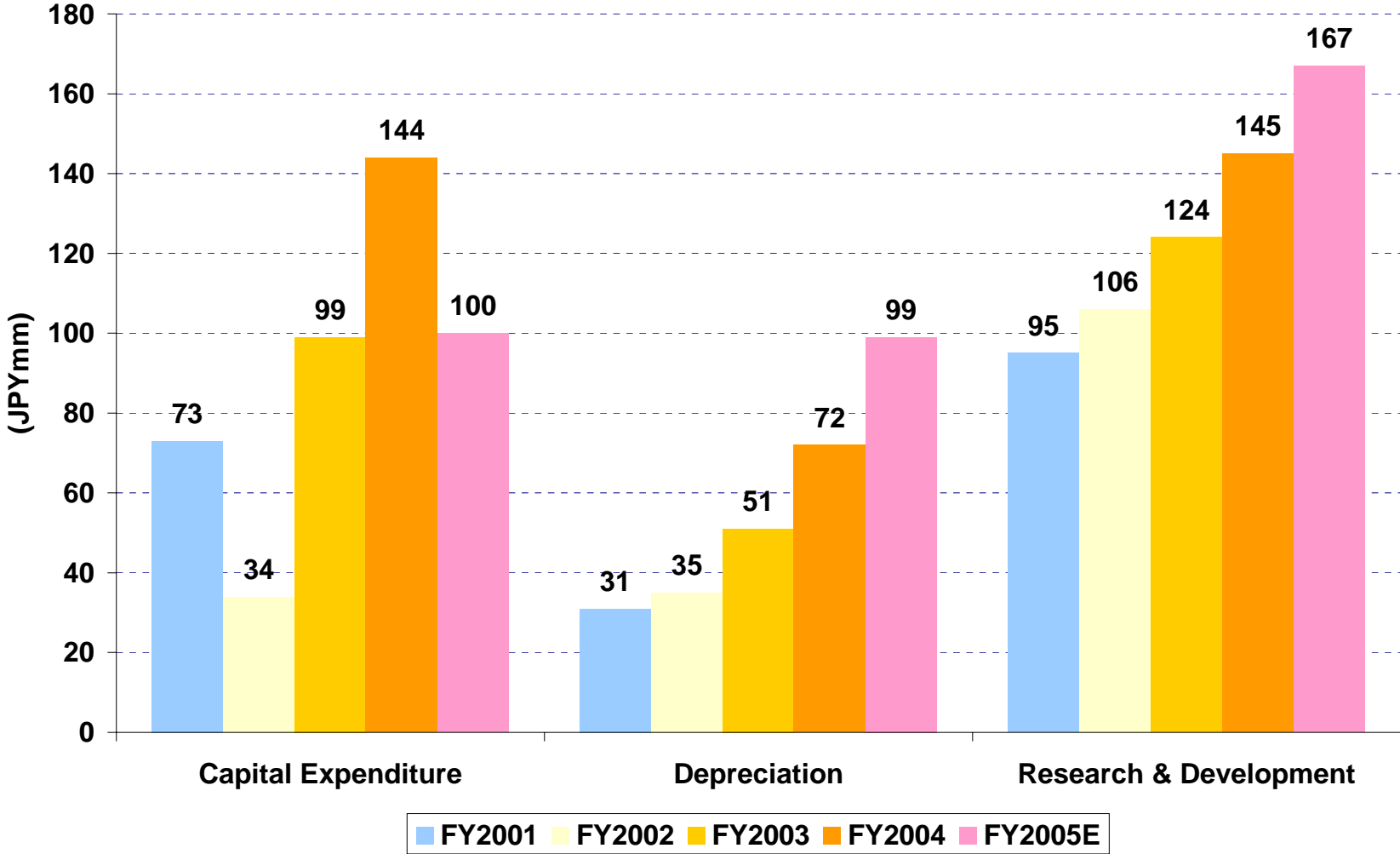
Recent Fiscal Year Results



FY2004 Annual Results & FY2005 Forecasts



Capex. and R&D



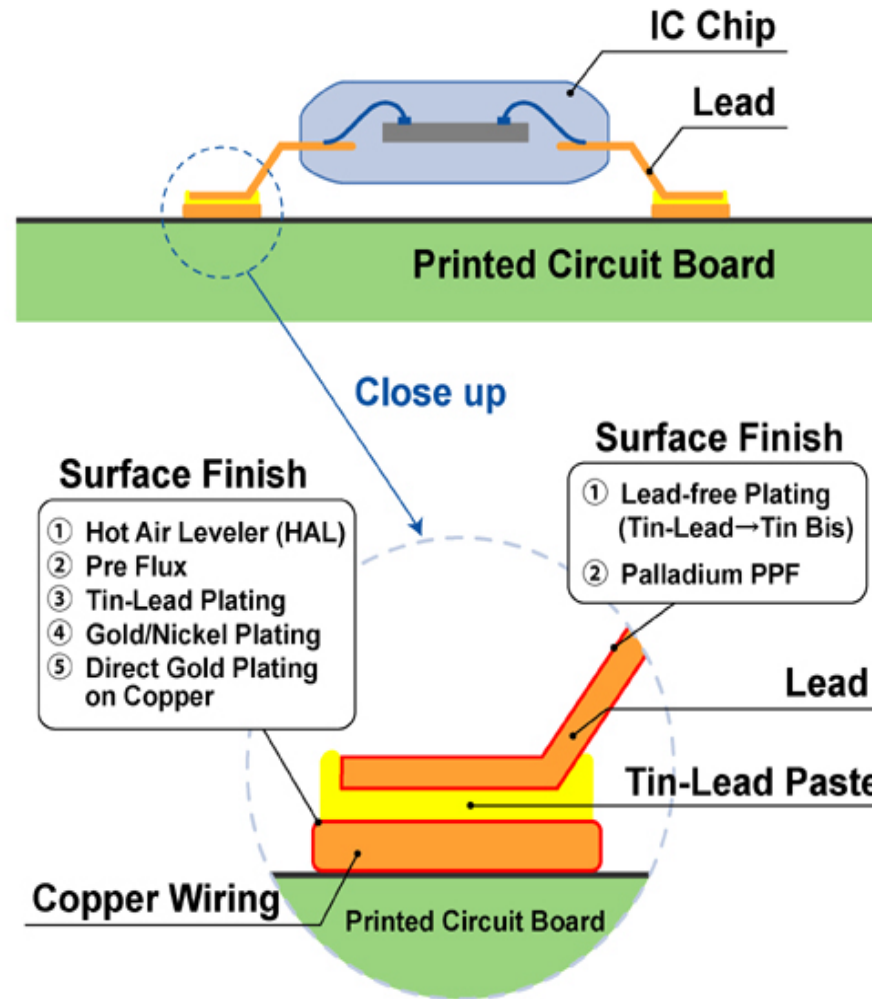


Recent Topics

Topics : Lead free & Gold Plating



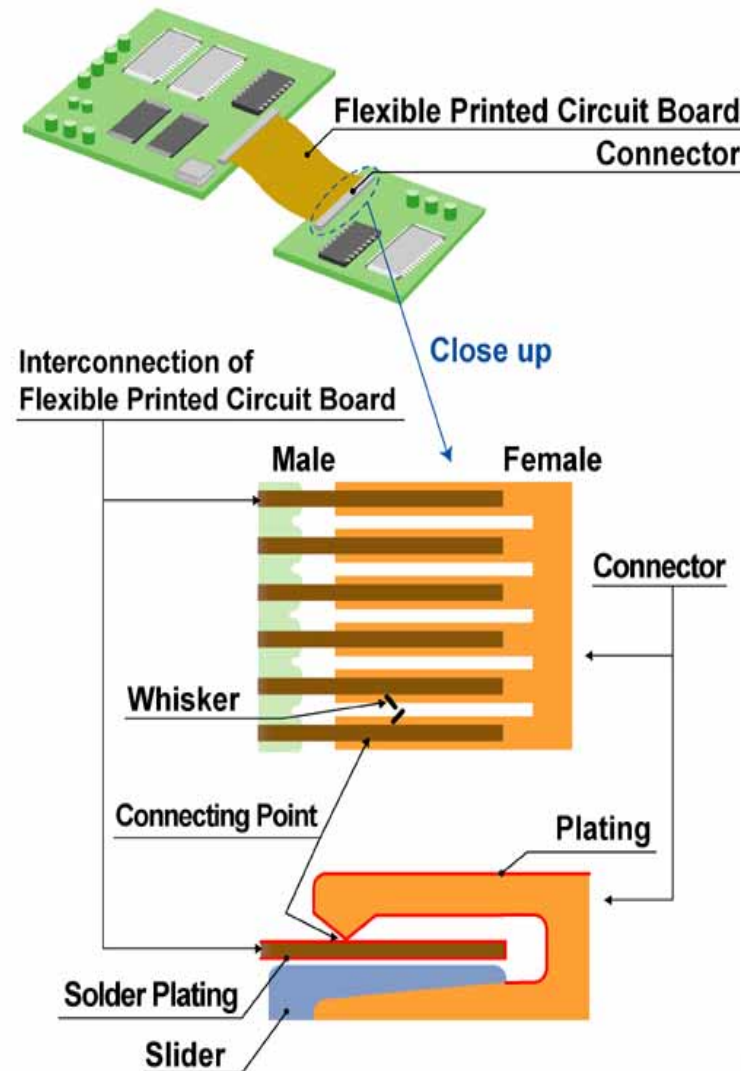
A. Solder Connection



Topics : Lead free & Gold Plating



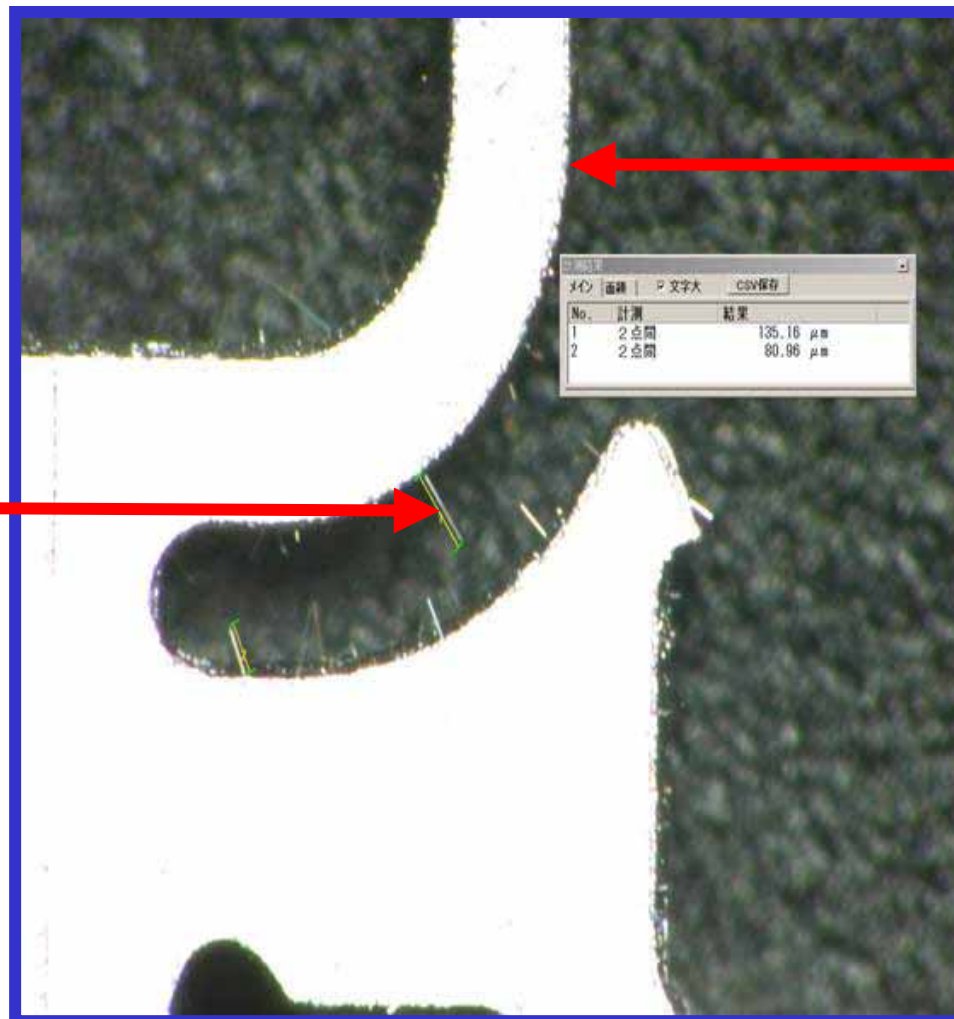
B. Solder Connecting Point



Topics : Lead free & Gold Plating



C. Whisker



Tin-lead Plating (Surface)

Whisker

No.	計測	結果
1	2点間	135.16 μm
2	2点間	80.86 μm



Appendix

FY2004 Annual Results 1



(JPY mm)											
Fiscal Year		FY2001		FY2002		FY2003		FY2004		FY2005E	
P/L		(%chg)		(%chg)		(%chg)		(%chg)		(%chg)	
Sales Revenue		3,310	-34	4,149	25	4,755	15	5,500	16	6,000	9
Gross Profit		A 1,038	-31	1,470	42	1,801	23	2,031	13	2,235	10
SG&A		B 526	-	626	19	710	13	776	9	-	-
B/A		50.7%		42.6%		39.4%		38.2%		-	
Operating Profit		C 512	-46	844	65	1,092	29	1,255	15	1,385	10
C/A		49.3%		57.4%		60.6%		61.8%		62.0%	
Ordinary Profit		486	-	816	68	1,048	28	1,249	19	1,375	10
Net Profit		271	-	460	70	614	33	744	21	820	10
EPS		296,798	-	30,536	-	38,263	-	23,370	-	26,623	-
Capex.		73	-	34	-53%	99	191%	144	45%	100	-31%
Depreciation		31	-	35	12%	51	44%	72	41%	99	38%
R&D		95	-	106	12%	124	17%	145	17%	167	15%

FY2004 Annual Results 2



(JPY mm)		FY2001		FY2002		FY2003		FY2004	
B/S									
Current Assets		1,454	79.9%	2,760	91.8%	3,268	91.1%	3,916	86.7%
Fixed Assets		366	20.1%	246	8.2%	318	8.9%	603	13.3%
Total Assets		1,820	100.0%	3,006	100.0%	3,586	100.0%	4,519	100.0%
Current Liabilities		255	14.0%	452	15.1%	487	13.6%	804	17.8%
LT Liabilities		63	3.5%	87	2.9%	117	3.3%	125	2.8%
Shareholder Equity		1,502	82.5%	2,467	82.1%	2,982	83.2%	3,590	79.4%
Total Liabilities & Equity		1,820	100.0%	3,006	100.0%	3,586	100.0%	4,519	100.0%
Shares Outstanding (shr)		950		15,400		14,251		30,800	
BPS (JPY thou.)		1,581.08		158.54		191.99		115.75	
ROE (%)		21.3		23.2		22.5		22.7	

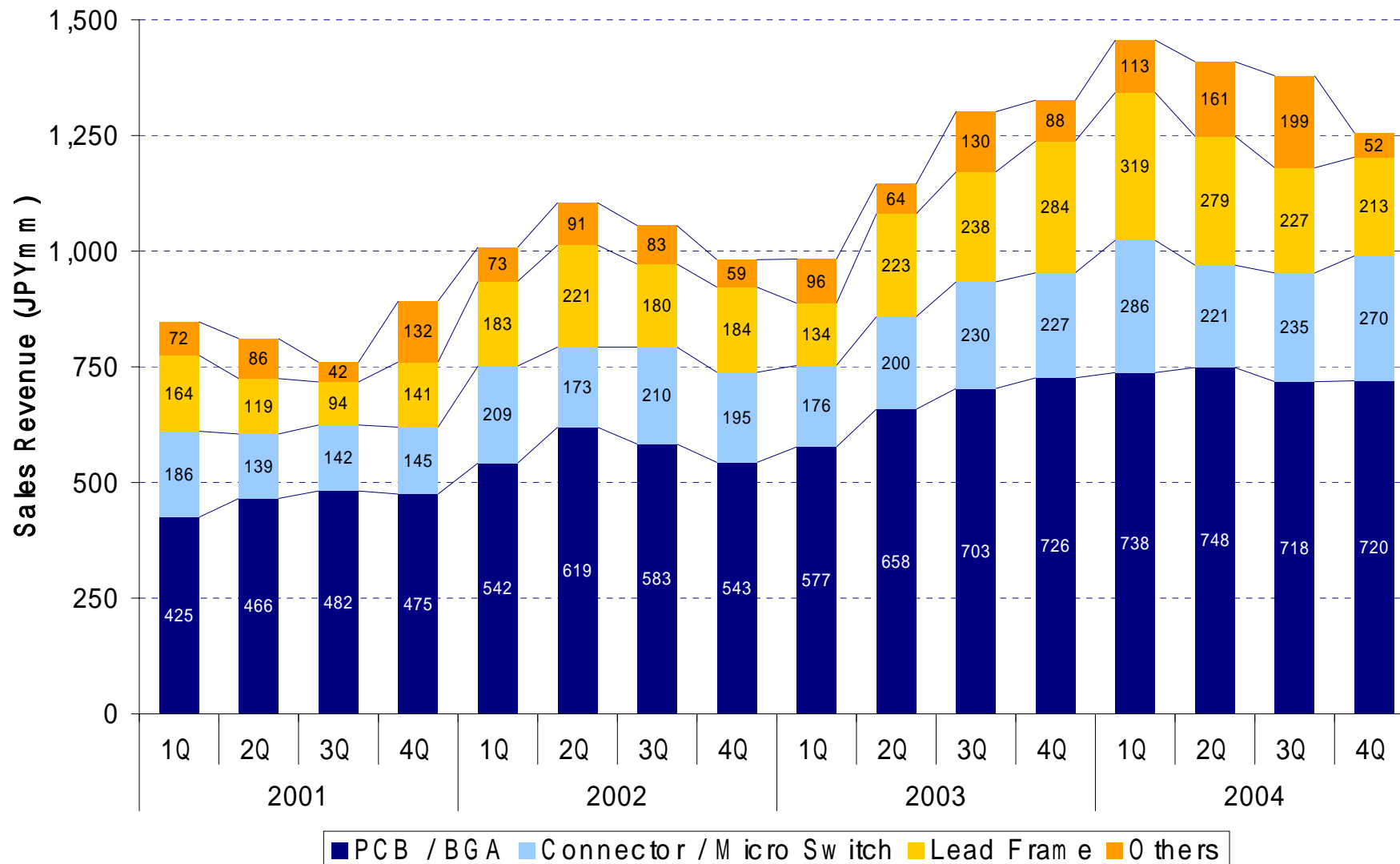
Dividend Policy



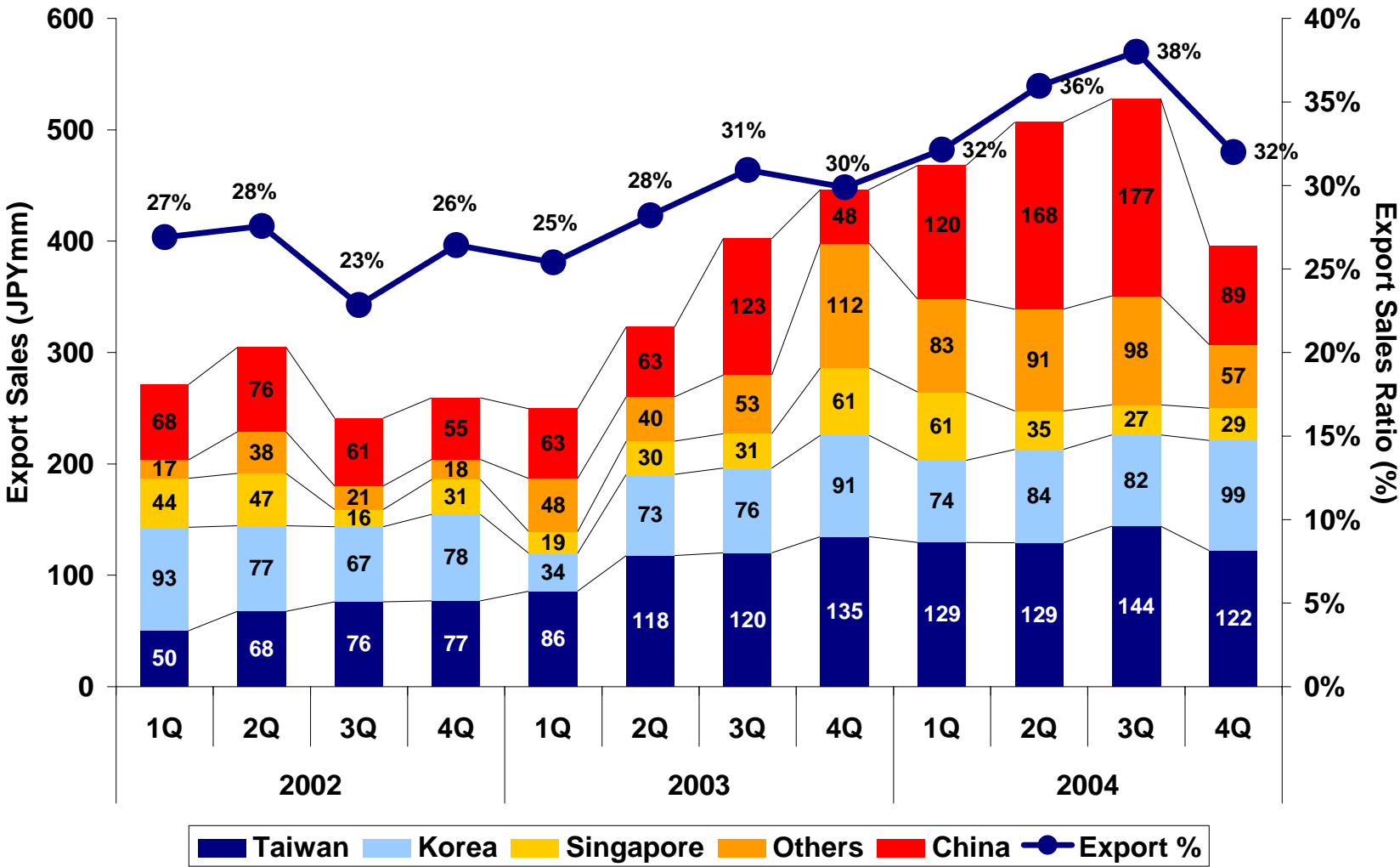
FY		DPS			EPS	Payout Ratio
		Mid-Year	Year-End	Total		
3-03	Year-end	-	3,200	3,200	30,537	10.5
3-04	Mid-year	2,500	2,500	5,000	34,416	14.5
	Year-end	2,500	3,500	6,000	38,263	15.7
3-05	Mid-year	2,000	2,000	4,000	23,052	17.4
	Year-end	2,000	3,000	5,000	23,370	21.4

***2 for 1 Stock Split as of FY2004/3**

Sales Revenue by End Product



Sales Revenue by Region (Export)





Company History

- 1971:** JPC was founded in Higashi Ikebukuro, Toshimaku
- 1972:** Introduced high-purity gold plating formulation for semiconductor
- 1974:** Introduced gold plating formulation for connector and printed circuit board
- 1975:** Introduced silver plating formulation for semiconductor
- 1981:** Moved to Minami Ikebukuro
- 1983:** Introduced gold plating formulation for AL wire
- 1984:** Introduced cyan-free gold plating formulation
- 1985:** Introduced palladium plating formulation for connector
- 1988:** Introduced electroless gold plating formulation
- 1999:** MBO
- 2001:** Moved headquarters to Kitamachi, Nerimaku
- 2002:** Listed on JASDAQ (IPO)
- 2003:** Secondary Offering
- 2004:** Listed on TSE2
- 2005:** Listed on TSE1 & Secondary Offering

Disclaimer



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