

Financial Report for First quarter Ended June 30, 2025



JAPAN PURE CHEMICAL CO.,LTD.

Securities Code: 4973

July 25, 2025





Summary of Financial Results




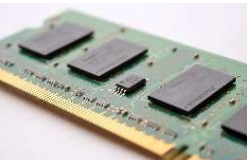


Key points on how to read the Company's business results

- Sales vary significantly between selling noble metals with chemicals and selling chemicals alone.
- Noble metals have a significant impact on sales because they are expensive and their prices fluctuate.

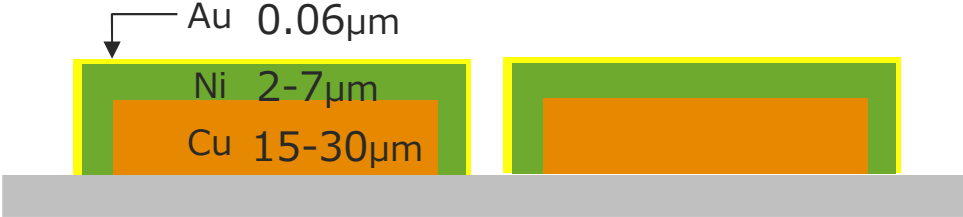
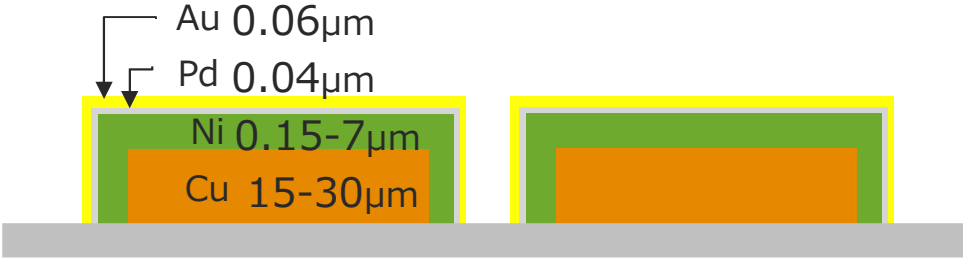
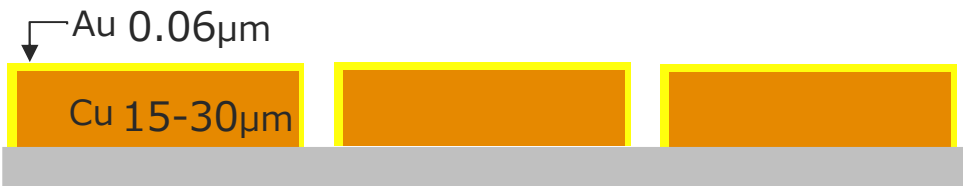

Plating Method

Term	Applications	Explanation
Electrolytic plating	—	Plating method on metal surfaces with electric current
Pure gold plating	Printed circuit boards (CPU, GPU, etc.) for PCs, smartphones, etc.	High-purity gold plating
Hard gold plating	Connectors for smartphones, automotive, industrial machinery, etc.	Gold plating that is hardened with alloy components
Palladium (Pd) plating	Lead frames for PCs, automotive, industrial machinery, etc.	Used as an undercoat for gold plating. PPF stands for Pre Plated Lead frame.
Electroless plating	—	Plating method by chemical reaction without electric current
Immersion plating	Semiconductor memory(DRAM, NAND) Substrates with semiconductors for servers, PCs, smart phones, etc.	Plating method for forming by replacing metal on surface by utilizing solubility (ionization tendency) of each metal
Auto catalytic plating(Au)	Semiconductor Mounted Substrate CPU, GPU, etc. for servers, PCs, etc.	Plating method capable of forming thick coatings by utilizing chemical reaction with reducing agents
Auto catalytic plating(Pd)	Semiconductor Mounted Substrate for PC, server	Plating method capable of forming thick coatings by utilizing chemical reaction with reducing agents used as a base for gold plating

Product Lineup

Plating Methods		Applications	Product Lineup	
Electrolytic plating	Pure gold		1. Pure gold plating enabling uniform coating even on rough surfaces 2. Pure gold plating with higher hardness	TEMPERESIST Series
	Hard gold (Alloy)		Gold saving hard gold plating for micro connectors: OROBRIGHT BAR7	OROBRIGHT BAR7
	Palladium (Pd)		Palladium plating for thin coating applicable to PPF: PALLABRIGHT NANO2	PALLABRIGHT NANO2
Electroless plating	Immersion gold		Immersion gold plating compatible with mid- to high-P Ni: IM-GOLD IB2X Immersion gold plating with less Ni corrosion: IM-GOLD CN Immersion gold plating without Ni plating: IM-GOLD PC	IM-GOLD IB2X IM-GOLD CN IM-GOLD PC
	Auto catalytic gold		Auto catalytic gold plating for thin coating using gold sulfite: HY-GOLD Auto catalytic gold plating for thin coating using gold cyanide: HY-GOLD CN	HY-GOLD HY-GOLD CN
	Auto catalytic palladium		Auto catalytic palladium plating for ENEPIG: NEO PALLABRIGHT 2 Direct auto catalytic palladium plating: NEO PALLABRIGHT DP	NEO PALLABRIGHT 2 NEO PALLABRIGHT DP
Peripheral fields			Base metals (copper, tin, nickel) Alloy plating, Post-treatment agents	

Plating Process Description

Term	Explanation	Composition of plating
ENIG	Stands for Electroless Nickel Immersion Gold. Composition of plating is Cu-Ni-Au.	
ENEPIG	Stands for Electroless Nickel Electroless Palladium Immersion Gold. Composition of plating is Cu-Ni-Pd-Au.	
DIG	Stands for Direct Immersion Gold. Since Ni plating is omitted, used for fine pitch compared to ENIG. Composition of plating is Cu-Au.	
EPIG	Stands for Electroless Palladium Immersion Gold. Composition of plating is Cu-Pd-Au.	

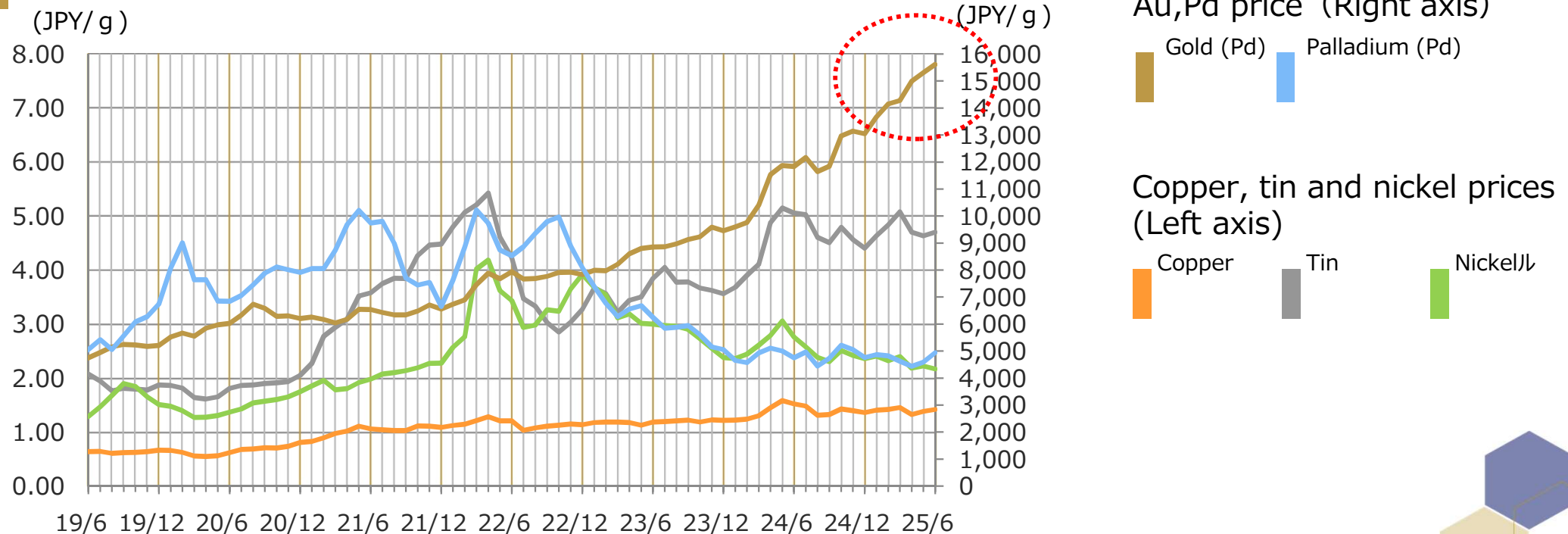
Au: gold, Pd: palladium, Ni: nickel, Cu: copper,
Micrometer (μm): one millionth of one meter

2026年3月期 第1四半期外部環境

Market Conditions in the Electronic Components Industry

- Driven by strong demand for generative AI, demand for AI servers and data centers remained robust. However, demand in the consumer electronics segment—including smartphones and personal computers—showed signs of stagnation due to the effects of U.S.-China trade friction, while demand for industrial equipment such as factory automation (FA) machinery remained sluggish as inventory adjustments continued.
- As for automotive electronic components, although there was a moderate increase in demand due to the growing adoption of advanced driver assistance systems (ADAS) and other forms of electrification, overall demand struggled to grow due to inventory adjustments stemming from the slowdown in electric vehicle (EV) market growth.

Historical Metal Prices



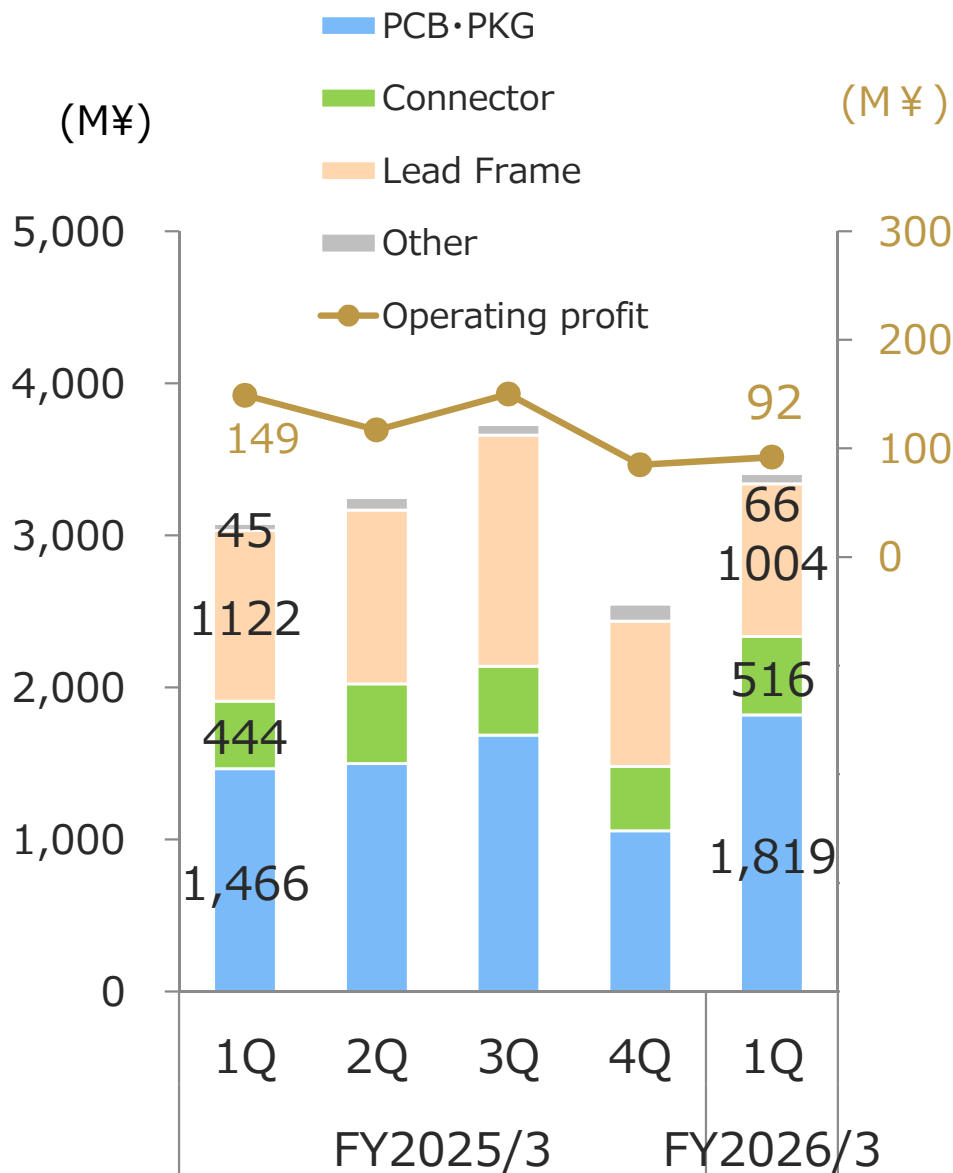
FY2026/ 3 First Quarter Financial Summary

- Overview of Our Financial Results: Revenue Increased, Profit Decrease
- **Net Sales:** Although sales volume was sluggish due to the impact of U.S.-China trade tensions and ongoing inventory adjustments in the industrial equipment and electric vehicle sectors, higher precious metal prices led to a 10.7% year-on-year increase in revenue.
 - **Operating Profit:** In addition to sluggish sales volume, proactive investment in human capital led to a **37.8% year-on-year decline in operating profit.**

M ¥ (単位：百万円)	FY2025/3 1Q	FY2026/3			
		1 Q	Increase/ Decrease ratio	Annual Forecast	Progress %
Sales	3,079	3,406	+10.7%	14,000	24.3%
Operating profit	149	92	△37.8%	510	18.2%
Ordinary profit	241	184	△23.6%	670	27.5%
Net profit	271	135	△50.2%	500	27.0%
Net profit per share	47.09円	23.40円	—	—	—

Net sales and operating income (quarterly basis)

Overview by Category



- Plating chemicals for printed circuit boards and semiconductor substrates

While demand for consumer applications such as smartphones and personal computers, as well as for memory-related products, remained sluggish, sales for semiconductor packages and optical communication modules related to generative AI grew steadily, resulting in increased revenue.

- Plating chemicals for connectors

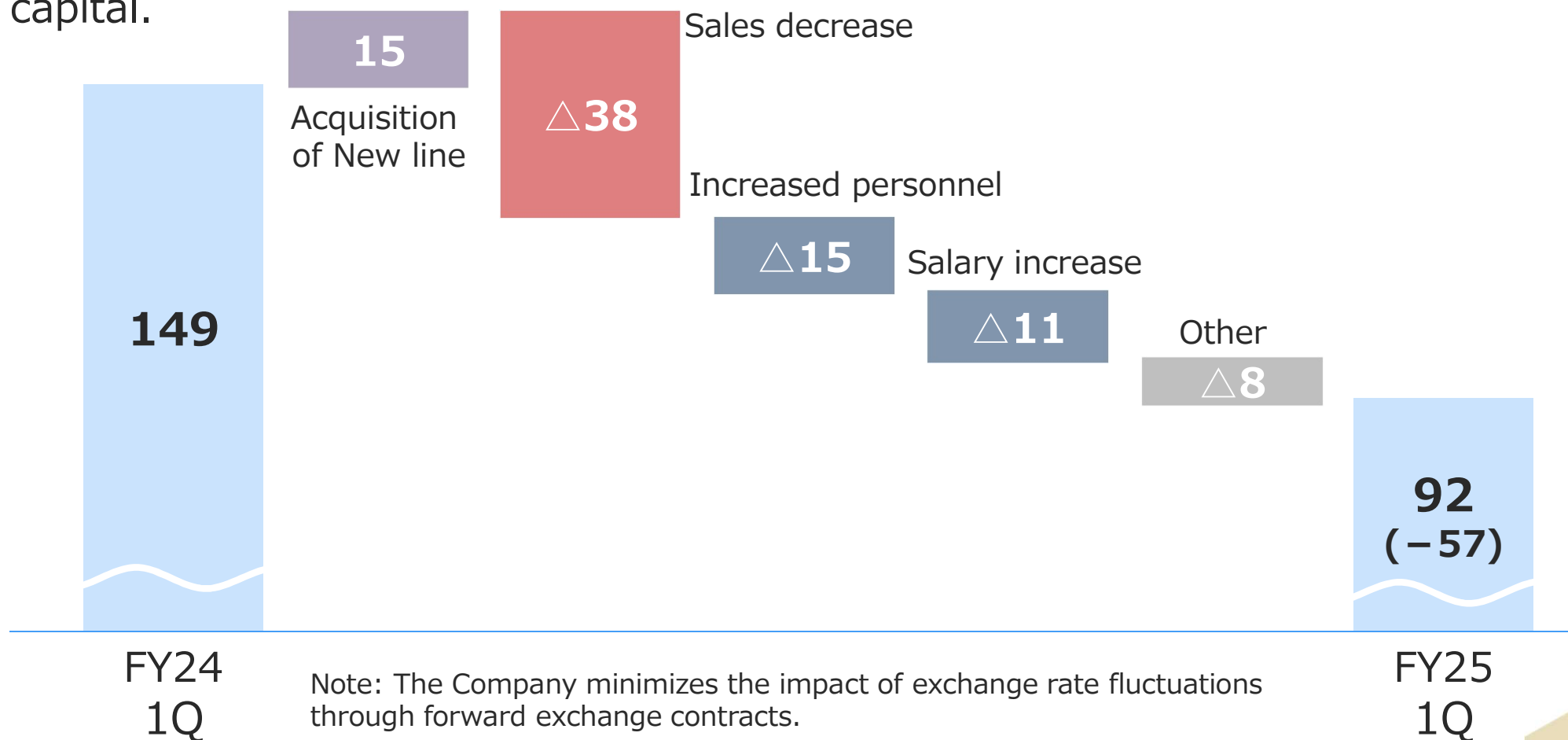
Despite sluggish smartphone demand, revenue increased due to signs of recovery in automotive and industrial equipment applications.

- Plating chemicals for connectors

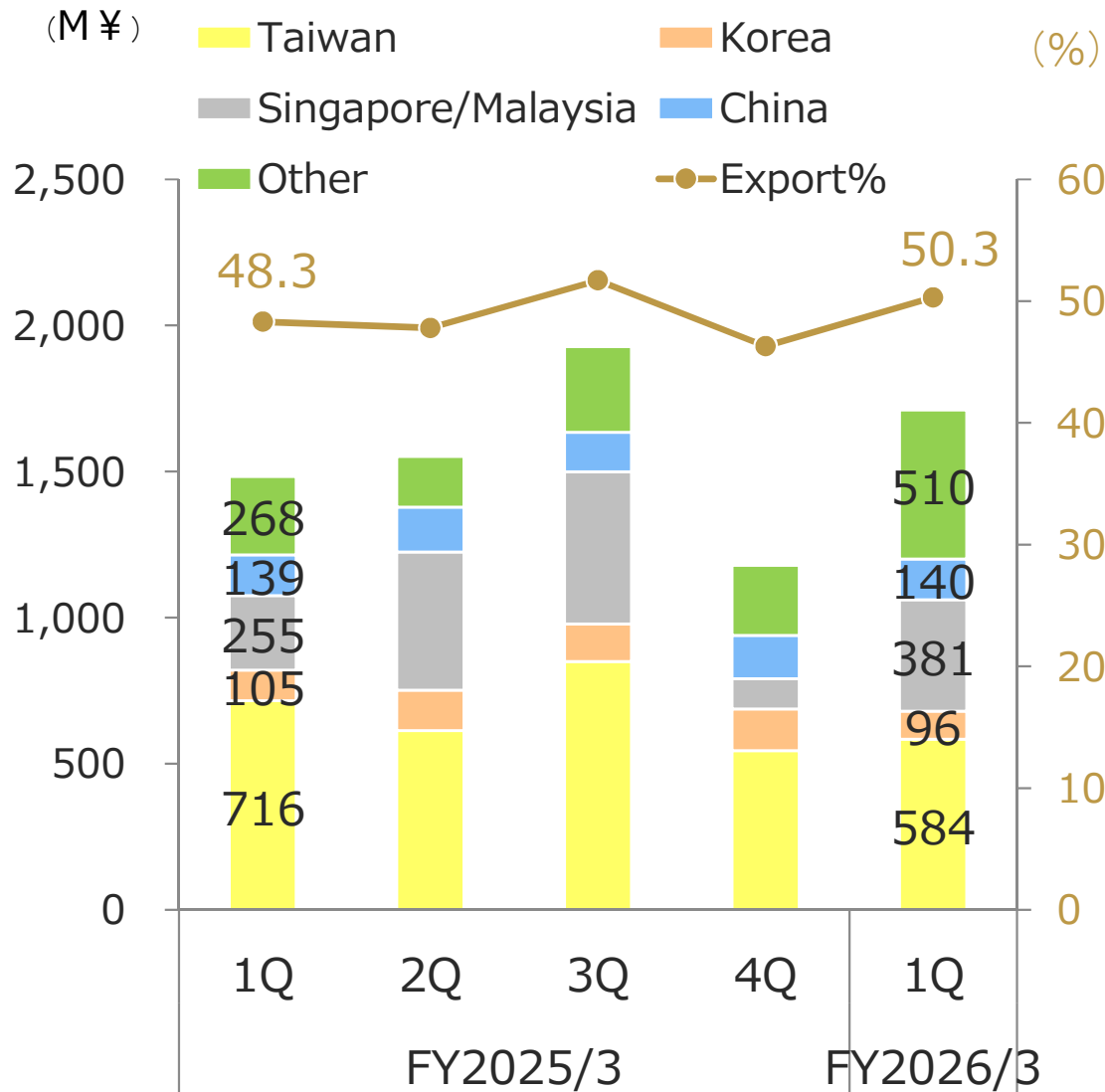
Revenue from consumer applications held firm, but automotive-related sales declined slightly due to ongoing inventory adjustments.

QoQ Operating Profit breakdown

- While sales volume declined due to the impact of the U.S.-China trade friction and inventory adjustments for industrial equipment and electric vehicles, orders for new production lines were also received. As a result, operating profit decreased by 23 million yen year-on-year.
- To steadily implement the various initiatives outlined in the medium-term management plan, we are proactively making upfront investments in human capital.



Net Sales by Export Regions (Quarterly basis)



Reason for Increase/Decrease

Taiwan

Sales of optical communication modules for AI servers and lead frames for consumer applications remained strong, while sales for automotive applications declined due to inventory adjustments.

Singapore・Malaysia

Increased demand for packages used in PCs and servers

Other

Increased demand for PC/server packaging applications in the Philippines

Outlook for the Fiscal Year Ending March 2026

- The server/data center segment is expected to continue performing well, supported by strong demand growth for generative AI applications.
- Demand for consumer products such as smartphones and PCs is anticipated to recover gradually.
- In the automotive segment, there are concerns about prolonged inventory adjustments due to weakened demand outlook for electric vehicles in the fiscal year ending March 2026.
- Some signs of recovery are seen in the industrial equipment segment.
- Sales plans have been delayed partly due to the impact of U.S.-China trade friction.
- Efforts to secure new projects will continue in the second half, and the full-year outlook remains unchanged.

		FY2025/3	FY2026/3	Q on Q
	(M¥)			
Sales		12,611	14,000	+11.0%
Operating profit		502	510	+1.5%
Ordinary profit		657	670	+1.9%
Gain on sales of investment		1,512	N/A	—
Net profit		1,579	500	△68.3%
Dividend		126円	126円	+ 0円
ROE		11.3%	3.7%	—
DOE		5.2%	5.4%	—

Progress in sales of policy shareholdings

- Regarding our policy holdings, the company has set a target in its medium-term management plan (FY2025-2027) to reduce the ratio of policy holdings to net assets to below 20%.
- In line with this policy, we will continue to proceed with sales during the current fiscal year. For the latest outlook, please refer to the announcement titled “Notice Regarding Expected Recognition of Gain on Sale of Investment Securities (Extraordinary Income)” published on July 25, 2025.

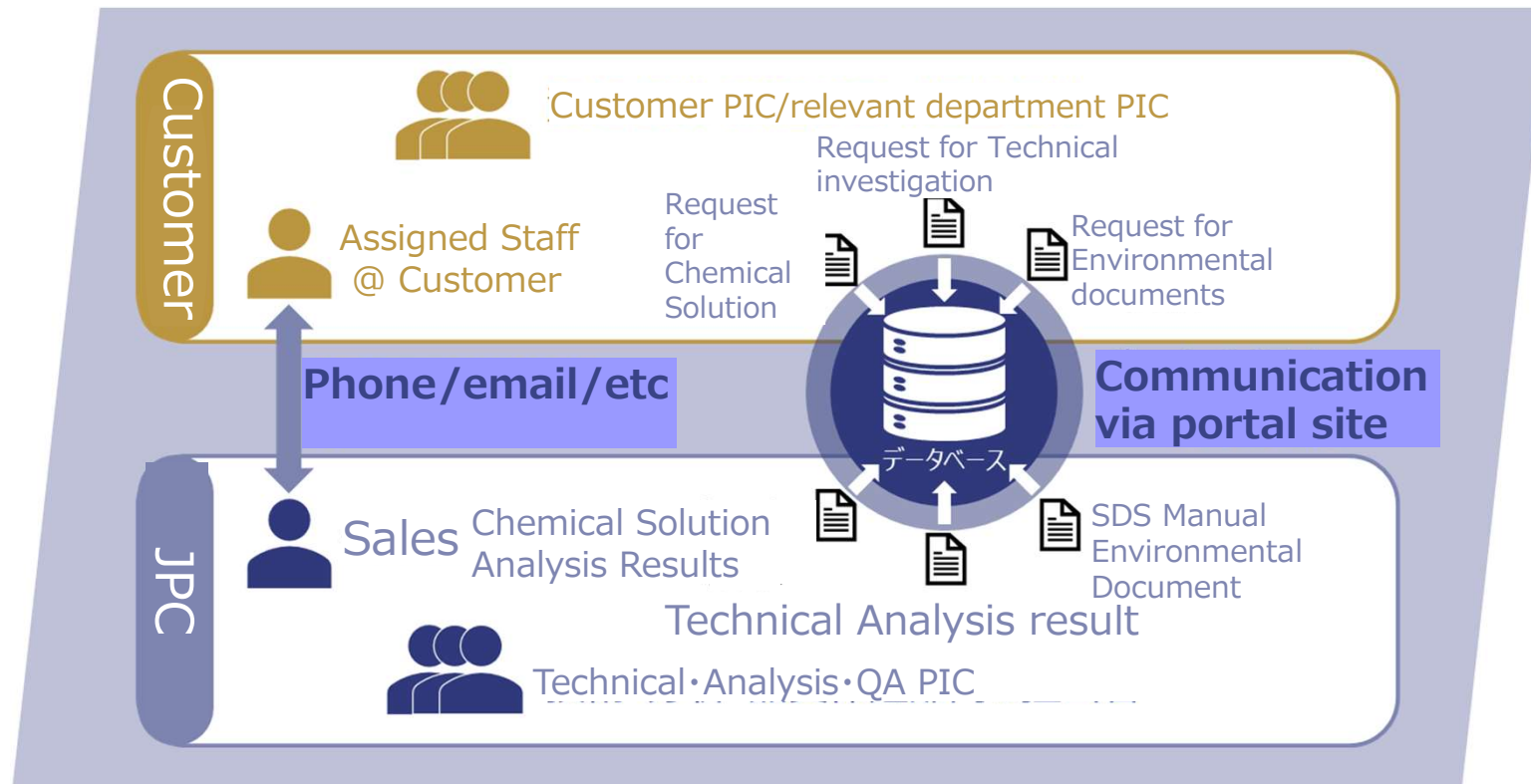
	2024 Mar	2024 June	2024 Sep	2024 Dec	2025 Mar	2025 Jun
Amount sold * (million yen)	307	142	752	553	275	—
Market value of shares held (million yen)	8,796	9,069	7,236	7,108	5,974	6,740
Net assets (million yen)	14,537	14,683	14,052	14,149	13,594	13,891
Percentage of net assets (%)	60.5	61.8	51.5	50.2	43.9	48.5

* Amount sold during the relevant quarter

Announcement on the Opening of the Portal Site "J-PLAT"*

*Trademark Application Pending

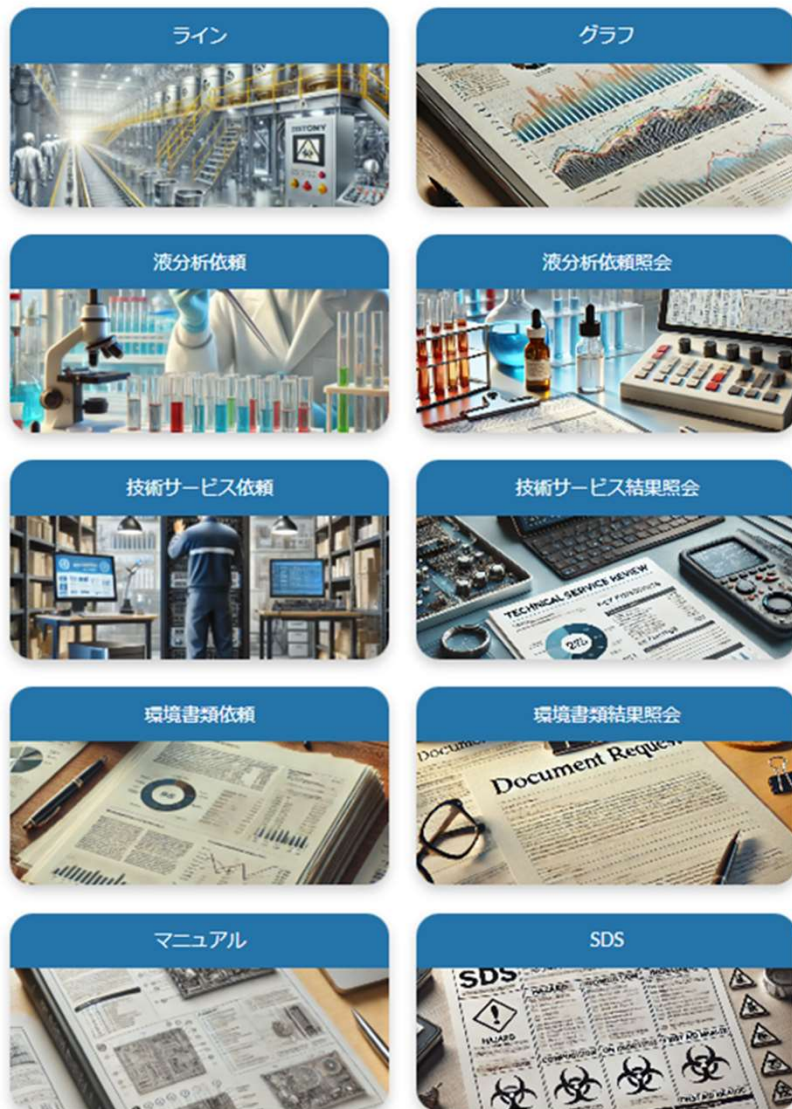
- "J-PLAT" is a dedicated portal site specialized in plating chemicals, with its name derived from our company's (JPC) integrated Platform and Plating technology.
- It aims to become a vibrant hub for information exchange, where everyone from on-site engineers to managers can casually drop by.
- By centralizing all information related to plating management and sharing it in real time, the site significantly enhances both transparency and operational efficiency.



Main function of 「J-PLAT*」

*Trademark Application Pending

ホーム ライン グラフ 液分析依頼 液分析依頼照会 技術サービス依頼 技術サービス結果照会 環境書類依頼 環境書類結果照会 マニュアル SDS



最新の完了依頼

機能

Dedicated Page

Customized pages for each customer to meet individual needs

Analysis and Diagnosis

Share plating solution analysis results in real time, supporting process optimization and quality stabilization through historical data analysis

Data Sharing

Share technical documents and manuals online to support business efficiency improvements

Chat

Smooth communication via dedicated chat

Multi-languages

Supports global languages including Japanese, English, and Chinese

Securities

Secure and Reliable – Powered by Salesforce



Appendix: Company Introduction

History

- July 1971 Establishment of JAPAN PURE CHEMICAL CO.,LTD.
- November 1999 Implementation of MBO
- December 2002 JASDAQ market listing
- March 2004 Listing on TSE Second Section
- March 2005 Listing on TSE First Section
- February 2019 Establishment of General incorporated foundation, JPC Scholarship Foundation
- April 2020 Certification as public interest incorporated foundation, JPC Scholarship Foundation
- April 2022 Moved to the Prime Market on TSE

Business Summary

- Fine chemical company supplying electronic materials which support development of the electronic components industry
- Top-class share in the worldwide market by narrowing the business targets to noble metal plating process
- Construct sales and technical support systems that can respond quickly to the rapidly changing industry
- Fab-light company that does not have large-scale manufacturing plants
- Provide technology to minimize the amount of noble metals used for connecting electronic components and contribute to effective use of mineral resources



Disclaimer

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 March 31 2025.

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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