

Interim Financial Report for the Fiscal Year Ending March 31, 2025



JAPAN PURE CHEMICAL CO.,LTD.

Securities Code: 4973

October 24, 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.

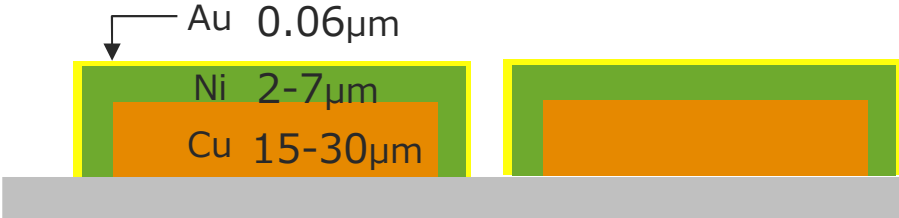
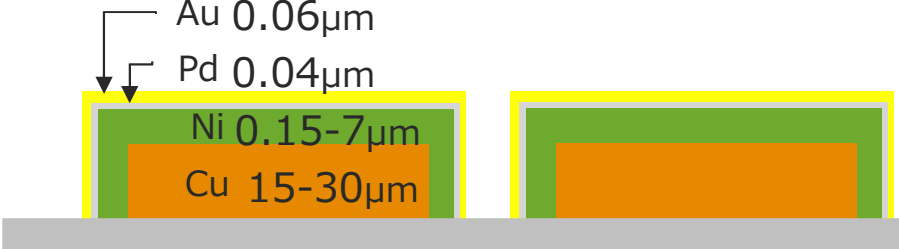
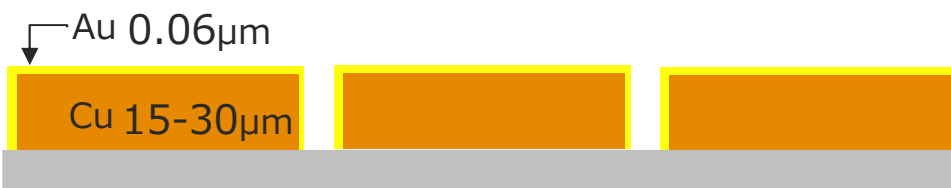

Plating Method

Term	Applications	Features
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: OROBRGHT 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

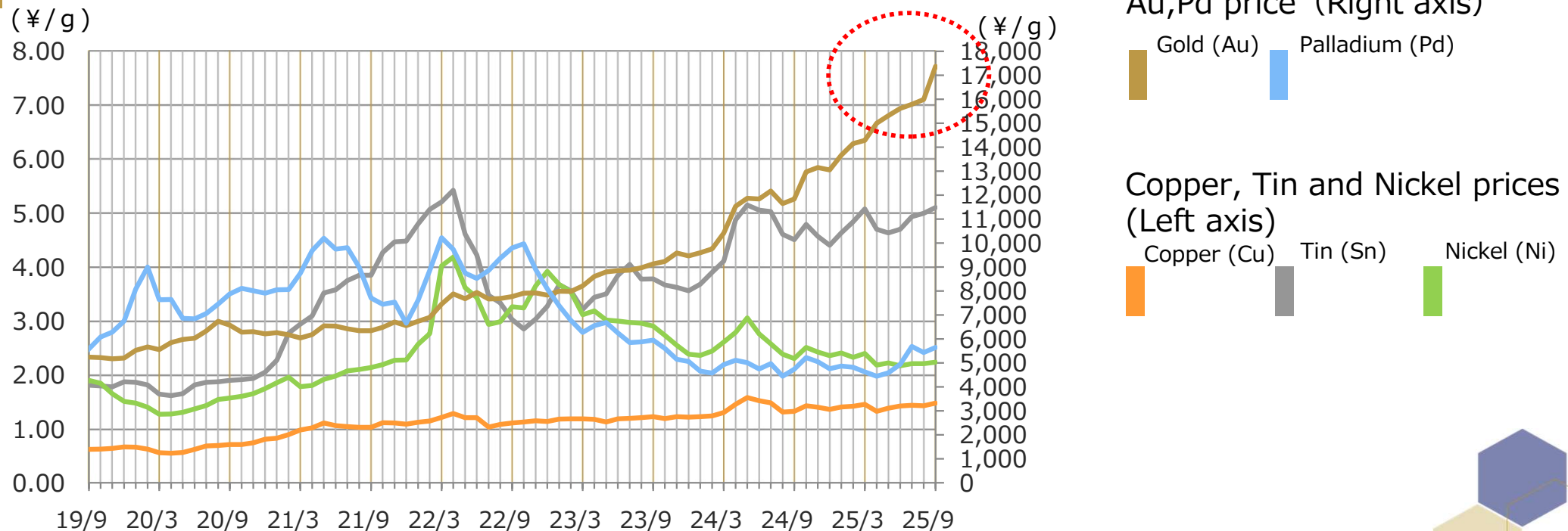
Term	Description	Composition of plating
ENIG	Electroless Nickel Immersion Gold. Composition of plating is Cu-Ni-Au.	 <p>Au 0.06µm Ni 2-7µm Cu 15-30µm</p>
ENEPIG	Electroless Nickel Electroless Palladium Immersion Gold. Composition of plating is Cu-Ni-Pd-Au.	 <p>Au 0.06µm Pd 0.04µm Ni 0.15-7µm Cu 15-30µm</p>
DIG	Direct Immersion Gold. Since Ni plating is omitted, used for fine pitch compared to ENIG. Composition of plating is Cu-Au.	 <p>Au 0.06µm Cu 15-30µm</p>
EPIG	Electroless Palladium Immersion Gold. Composition of plating is Cu-Pd-Au.	 <p>Au 0.06µm Pd 0.04µm Cu 15-30µm</p>

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

Market Conditions in the Electronic Components Industry

- Driven by robust demand for generative AI, demand for AI servers and data centers continued to remain strong. However, demand in consumer electronics—including smartphones and personal computers—as well as in industrial equipment such as factory automation (FA) machinery, showed only a modest recovery, reflecting the impact of U.S.-China trade friction and other factors.
- In the automotive electronics segment, although demand increased due to the growing adoption of advanced driver assistance systems (ADAS) and other electrification trends, overall demand remained sluggish, affected by U.S. tariff measures and the slowdown in the growth of the electric vehicle (EV) market.

Historical Metal Prices



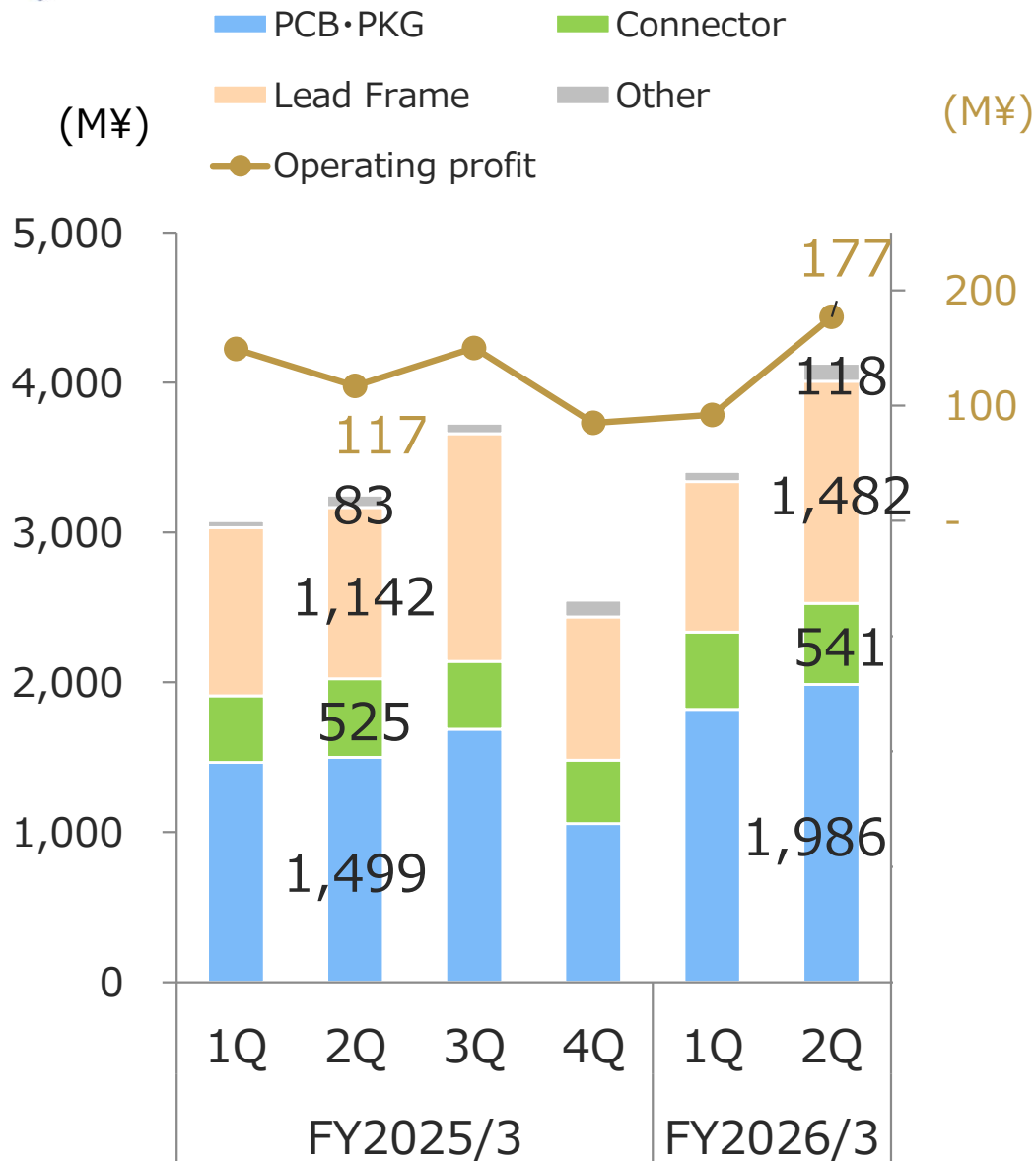
FY2026/ 3 2nd Quarter Financial Summary (cumulative)

Overview of Our Financial Results: Revenue Increased, Profit Decreased

- **Net Sales:** While demand for consumer electronics such as smartphones and PCs showed a gradual recovery, sales for semiconductor packages, modules, and memory devices remained strong, driven by expanding demand related to generative AI. Combined with higher precious metal prices, revenue increased 19.0% year on year.
- **Operating Profit:** Although gross profit rose, expenses also increased due to proactive investment in human capital, resulting in a modest 1.9% year-on-year increase in operating profit.
- **Quarterly Net Income:** While operating profit increased slightly year on year, net income decreased by 24.0% year on year due to differences in the timing of sales of specified investment shares.

(M ¥)	FY2025/3	FY2026/3				
	2Q	1 Q	2Q	Total	Increase/ Decrease ratio	Q2 progress %
Net Sales	6,330	3,406	4,129	7,536	+19.0%	53.8%
Operating profit	266	92	178	271	+1.9%	53.2%
Ordinary profit	359	184	193	378	+5.0%	56.4%
Net profit	822	135	489	624	-24.0%	124.8%
Net profit per share (yen)	142.56	23.40	84.60	108.04	—	—

Net sales and operating income (Quarterly basis)

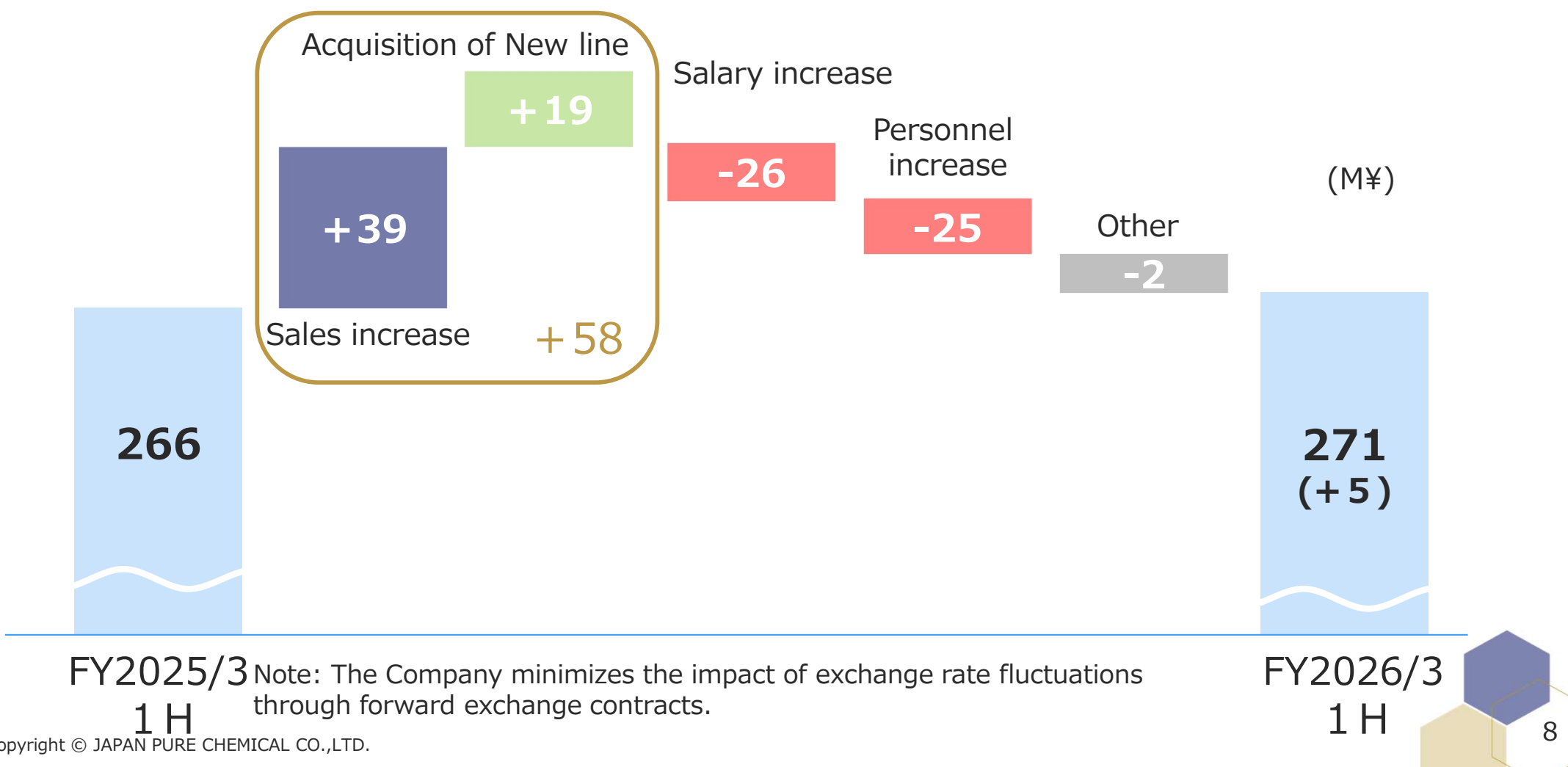


Overview by Category

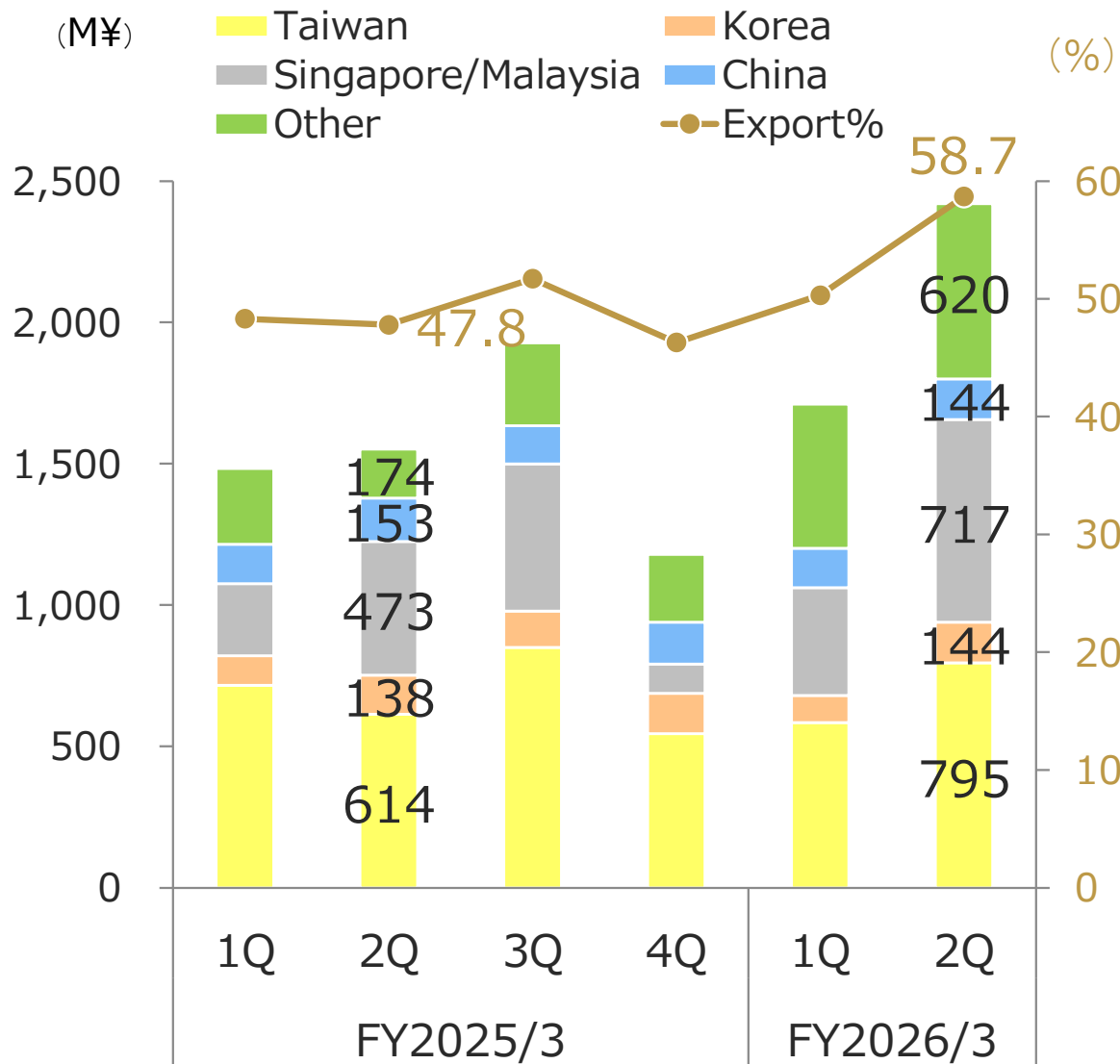
- Plating chemicals for printed circuit boards and semiconductor substrates
While demand for consumer applications such as smartphones and personal computers showed only a modest recovery, sales for semiconductor packages, optical communication modules, and memory devices related to generative AI remained strong, resulting in higher revenue.
- Plating chemicals for connectors
Although sales for automotive applications leveled off, demand for smartphones and industrial equipment remained firm, resulting in a slight increase in revenue.
- Plating chemicals for lead frame
Although sales for automotive applications leveled off, demand for consumer products remained strong, resulting in higher revenue.

YoY Operating Profit breakdown

- In addition to a moderate recovery in consumer demand for smartphones and PCs, profit increased by 58 million yen year on year due to new production line orders.
- The Company is proactively making upfront investments in human capital to accelerate future business growth.



Net Sales by Export Regions (Quarterly basis)



Reason for Increase/Decrease

Taiwan

Despite inventory adjustments in automotive applications, sales increased due to solid demand for AI servers, optical communication modules, and Lead frames for consumer products.

Singapore•Malaysia

Increased demand for Packages used in PCs and servers. Additionally, an increase in sales prices due to the rise in noble metal prices.

Other

Increased demand for PC/server packaging applications in the Philippines

Outlook for the Fiscal Year Ending March 2026

- Demand for Server/Data Center is expected to remain strong, supported by continued robust growth in demand related to generative AI.
- Although a moderate recovery in demand for Consumer (Smartphones, PCs, etc.) is anticipated, there are concerns about delays in sales plans due to the impact of U.S. tariff policies.
- There are concerns about prolonged inventory adjustments caused by the slowdown in demand for electric vehicles.
- Including the recording of a gain on sale of investment securities as extraordinary income, net profit for the full fiscal year is projected at 1,450 million yen.

(M¥)	FY2025/3	FY2026/3	Y o Y
Net 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	1,350	—
Net profit	1,579	1,450	-8.2%
Dividend (yen)	126	126	+0
ROE	11.3%	9.4%	—

Progress in sales of specified investment shares

- Regarding our specified investment shares, 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 “(Update on Disclosed Matter) Notice Regarding Recording of Gain on Sale of Investment Securities (Extraordinary Income) ” published on October 24, 2025.

	2024 Mar	2024 Jun	2024 Sep	2024 Dec	2025 Mar	2025 Jun	2025 Sep
Amount sold * (million yen)	307	142	752	553	275	—	493
Market value of shares held (million yen)	8,796	9,069	7,236	7,108	5,974	6,740	8,416
Net assets (million yen)	14,537	14,683	14,052	14,149	13,594	13,891	15,566
Percentage of net assets (%)	60.5	61.8	51.5	50.2	43.9	48.5	54.1

* Amount sold during the relevant quarter

Topic: Expansion in the Optical Transceiver (Optical Module) Segment

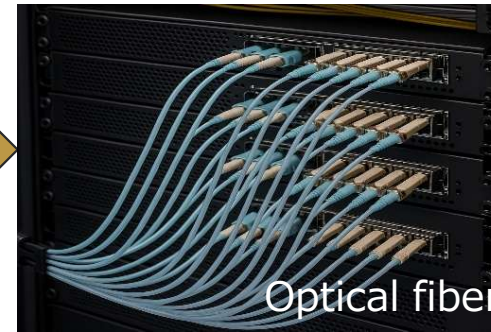
Data Center
(Exterior)



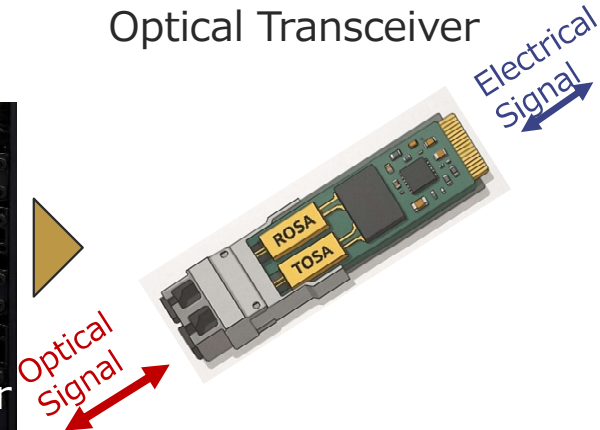
Data Center
(Interior)



Server Racks



Optical Transceiver



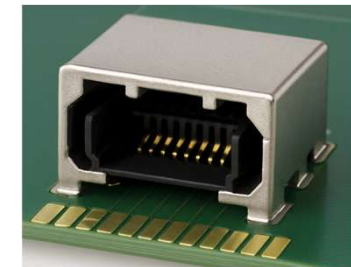
Contact Points of
Optical Transceiver

Electrical Signal

Optical
Signal



Board-side Connector



※This is an image.

- An optical transceiver (optical module) is a module that converts electrical signals into optical signals. It consists of electrical contacts, a circuit board, and an optoelectronic conversion module.



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 October 24, 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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