

Translation

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## Summary of Non-Consolidated Financial Results for the Three months ended June 30, 2025 (Based on Japanese GAAP)



MEMBERSHIP  
July 25, 2025

Company name: JAPAN PURE CHEMICAL CO.,LTD.  
Stock exchange listing: Tokyo  
Stock code: 4973 URL <https://www.netipc.com>  
Representative: Representative Director and President Tomoyuki Kojima  
Inquiries: Senior Director, General Manager of Corporate Planning Division and Finance Division Motoki Watanabe TEL 03-3550-1048  
Preparation of supplementary material on financial results: Yes  
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Non-consolidated financial results for the Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

#### (1) Operating results

(Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2025	3,406	10.7	92	(37.8)	184	△23.6	135	(50.2)
Three months ended June 30, 2024	3,079	8.3	149	173.2	241	56.6	271	127.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	23.40	23.22
Three months ended June 30, 2024	47.09	46.65

#### (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Three months ended June 30, 2025	15,981	13,891	86.4	2,389.64
Three months ended June 30, 2024	15,856	13,594	85.2	2,338.53

(Reference) Shareholders' equity Three months ended June 30, 2025 13,803 Million yen  
Previous Three months ended June 30, 2024 13,508 Million yen

### 2. Cash dividends

	Annual dividend				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2025	—	63.00	—	63.00	126.00
Fiscal Year ending March 31, 2026	—				
Fiscal Year ending March 31, 2026 (Forecast)		63.00	—	63.00	126.00

(Note) Revision of dividend forecast from the latest announcement: No

3. Forecast for the fiscal year ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(Percentage figures are changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Net Profit		Earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	14,000	11.0	510	1.5	670	1.9	500	(68.3)	86.56

(Note) Revision of dividend forecast from the latest announcement: No

Notes

(1) Adoption of accounting methods specific to the preparation of quarterly financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of shares issued and outstanding (Common Stock)

(a) Number of shares issued and outstanding at the end of the period (including treasury shares)	As of June 30, 2025	6,067,200	Shares	As of Mar 31, 2025	6,067,200	Shares
(b) Number of treasury shares at end of period	As of June 30, 2025	290,607	Shares	As of Mar 31, 2025	290,707	Shares
(c) Average number of shares during the period (cumulative quarterly period)	Three months ended June 30, 2024	5,776,529	Shares	Three months ended June 30, 2024	5,759,072	Shares

Review of the accompanying interim financial statements by a certified public accountant or auditing firm: No

Explanation of appropriate use of earnings forecasts and other special notes:

- The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual results may differ significantly due to various factors.
- The supplementary financial results presentation materials are available on our website.

## 1. Qualitative Information on Quarterly Financial Statements

### (1) Explanation of Operating Results for the current quarter

In the electronic components industry, demand related to AI servers and data centers remained strong, driven by robust demand for generative AI. However, demand in the consumer segment—such as for smartphones and personal computers—showed signs of stagnation due to the impact of ongoing U.S.-China trade tensions. In the industrial equipment segment, including factory automation (FA) machinery, demand remained sluggish as inventory adjustments continued. As for automotive electronic components, although there was a moderate increase in demand due to greater electrification—such as the adoption of advanced driver assistance systems (ADAS)—overall demand struggled to grow amid inventory adjustments stemming from a slowdown in the growth of electric vehicles (EVs).

For our company, sales of plating chemicals for printed circuit boards and semiconductor substrates remained strong in applications related to semiconductor packages and modules for generative AI. However, sales for consumer electronics—such as smartphones and personal computers—as well as for memory applications, were sluggish. Sales of plating chemicals for connectors showed signs of recovery in the automotive and industrial equipment segments, while demand in the smartphone segment remained flat. Sales of plating chemicals for lead frames remained firm in the consumer electronics segment, but were sluggish in the automotive segment due to the effects of ongoing inventory adjustments.

As a result, net sales totaled 3,406 million yen, a 10.7% increase compared to the same quarter of the previous year. Operating profit was 92 million yen, a 37.8% decrease, ordinary profit was 184 million yen, a 23.6% decrease, and quarterly net profit was 135 million yen, a 50.2% decrease year-on-year.

Net sales by application were 1,819 million yen for printed circuit boards and semiconductor substrates, 516 million yen for connectors and micro switches, 1,004 million yen for lead frames, and 66 million yen for other applications.

### (2) Summary of Financial Position

#### a. Description of financial position

	March 31, 2025	June 30, 2025		
			Increase/Decrease	Main reasons for increase/decrease
Current assets	9,544	8,922	(621)	Cash and deposits (582), Raw materials and supplies (91)
Non-current assets	6,312	7,059	746	Investment securities + 766
Total assets	15,856	15,981	125	—
Current liabilities	784	332	(452)	Income taxes payable (532), Allowance for bonus (35), Accounts payable + 62
Non-current liabilities	1,477	1,757	280	Deferred tax liabilities + 280
Total liabilities	2,261	2,089	(171)	—
Total net assets	13,594	13,891	297	Net unrealized gains (losses) on investment securities + 522, Retained earnings (228)
Total liabilities and net assets	15,856	15,981	125	—

Net assets totaled 13,891 million yen, an increase of 297 million yen from the end of the previous fiscal year. This increase was primarily due to an increase in the valuation difference on securities resulting from an increase in the fair value of investment securities.

### (3) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Company's basic policy on profit distribution is to flexibly return profits to shareholders in accordance with earnings conditions while securing internal reserves necessary for future business development, strengthening of the management base, and investment for growth.

In addition to the dividend payout ratio, the Company has introduced a dividend on equity ratio (DOE) with a minimum limit of 5% starting with the year-end dividend for the fiscal year ending June 30, 2024, in order to proactively provide a certain level of shareholder return that is not greatly influenced by the Company's immediate performance as a prime market listed company, while maintaining a balance between capital efficiency and financial soundness for the purpose of achieving long-term growth. The Company has introduced a dividend on equity ratio (DOE) with a minimum limit of 5% in addition to the dividend payout ratio, effective from the fiscal year ending June 30, 2024.

Based on this policy, the Board of Directors is scheduled to approve an ordinary dividend of 63 yen at its May 2025 meeting with respect to the year-end dividend for the current fiscal year. As a result, the annual dividend per share, including the interim dividend, will be 126 yen.

For the next fiscal year, we plan to pay an annual dividend of 126 yen per share.

#### (4) Policy on Specified Investment Shares

In terms of business strategy and business relationships with business partners, the Company hold shares only of companies that are expected to provide feedback on our product development and problem-solving. The Company have set a policy to reduce such strategic shareholdings to less than 20% of net assets.

The appropriateness of these holdings is regularly reviewed through discussions at the CX Progress Committee—which includes both members of the Board of Directors and external experts—as well as at Board meetings, and shares that do not meet the above conditions are subject to sale in line with this policy.

Changes in Specified Investment Shares	FY 2024 Q1	FY 2024 Q2	FY 2024 Q3	FY 2024 Q4	FY2025 Q1
Amount sold* (million yen)	142	752	553	275	—
Market value of shares held (million yen)	9,069	7,236	7,108	5,974	6,740
Net assets (million yen)	14,683	14,052	14,149	13,594	13,891
Percentage of net assets (%)	61.8	51.5	50.2	43.9	48.5

\*Sales during the relevant quarter

### 3. Financial Statements and Notes

#### (1) Non-consolidated Balance Sheet

(Unit: Thousand yen)

	Previous fiscal year (March 31, 2025)	Current fiscal year (June 30, 2025)
<b>Assets</b>		
Current assets		
Cash on hand and in banks	7,585,250	7,002,921
Notes receivable	1,176,248	1,290,541
Merchandise and finished goods	60,961	167,360
Raw materials and supplies	487,107	395,787
Other	234,476	66,023
Total current assets	9,544,044	8,922,634
Fixed assets		
Property, plant and equipment	114,336	105,725
Intangible fixed assets	132,289	124,388
Investments and other assets		
Investments in securities	5,974,602	6,740,968
Other	91,356	88,063
Total investments and other assets	6,065,958	6,829,031
Total fixed assets	6,312,584	7,059,144
Total assets	15,856,629	15,981,778
<b>Liabilities</b>		
Current liabilities		
Accounts payable-Trade	76,195	138,744
Accrued tax expense	541,543	9,294
Allowance for bonuses	71,892	35,946
Other	95,244	148,024
Total current liabilities	784,875	332,009
Non-current liabilities		
Long-term accrued liabilities	180,882	180,882
Deferred tax liabilities	1,255,506	1,536,388
Asset retirement obligations	40,645	40,684
Total long-term liabilities	1,477,033	1,757,954
Total liabilities	2,261,909	2,089,964
<b>Total net assets</b>		
Share capital		
Capital stock	1,283,196	1,283,196
Capital surplus	1,038,390	1,038,406
Retained earnings	8,781,286	8,552,544
Treasury shares	△691,831	△691,593
Total shareholders' equity	10,411,042	10,182,554
Valuation and translation adjustments		
Net unrealized gains (losses) on investment securities, net of taxes	3,097,118	3,619,894
Deferred gains or losses on hedges	316	1,501
Total valuation and translation adjustments	3,097,435	3,621,396
Subscription warrant	86,242	87,863
Total net assets	13,594,720	13,891,814
Total liabilities and net assets	15,856,629	15,981,778

(Unit: Thousand yen)

	Previous fiscal year (From April 1, 2024 to June 30, 2024)	Current fiscal year (From April 1, 2025 to June 30, 2025)
Net sales	3,079,040	3,406,994
Cost of sales	2,649,489	3,000,458
Gross profit	429,550	406,536
Selling, general and administrative expenses	280,127	313,563
Operating profit	149,423	92,972
Non-Operating profit		
Interest income	3	186
Dividends received	90,963	90,782
Foreign exchange gain (loss)	794	—
Miscellaneous income	435	745
Total Non-Operating income	92,196	91,714
Non-operating expenses		
Commission Payments	—	170
Foreign exchange loss	213	—
Total non-operating expenses	213	170
Ordinary profit	241,406	184,517
Extraordinary income		
Gain on sales of investment securities	118,588	—
Gain on reversal of share acquisition rights to	567	—
Total Extraordinary income	119,155	—
Extraordinary loss		
Loss on disposal of fixed assets	—	0
Total extraordinary loss	—	0
Income before income taxes and minority interests	360,561	184,517
Corporate, inhabitant and enterprise taxes	76,285	9,604
Income taxes	13,106	39,735
Total income taxes	89,392	49,339
Net profit	271,169	135,177

(3) Notes to Quarterly Financial Statements

(Notes on premise of a going concern)

Not applicable.

(Notes in the event of significant changes in shareholders' equity)

Not applicable.

(Change in accounting policy)

Not applicable.

(Notes to quarterly balance sheets)

Not applicable.

(Notes to Quarterly Statements of Income)

Not applicable.

(Notes to quarterly statements of cash flows)

Quarterly statements of cash flows for the first quarter of the current fiscal year have not been prepared. Depreciation and amortization (including amortization related to intangible assets) for the first quarter cumulative period is as follows

(Unit: thousand yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation and amortization	20,409	18,957

(Notes to Segment Information)

Segment information

This information is omitted because the Company operates in a single business segment of manufacturing chemicals for noble metal plating.