

Translation

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



MEMBERSHIP

October 24, 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
 Senior Director, General Manager of Corporate
 Inquiries: Planning Division and Finance Division Motoki Watanabe TEL 03-3550-1048
 Schedule date of submission of semiannual report: November 10, 2025
 Schedule date of dividend payment commencement: December 1, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (For institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. 2nd Quarter Results for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to September 30, 2025)

(1) Operating results(cumulative total) (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	%
Six months ended September 30, 2025	7,536	19.0	271	1.9	378	5.0	624	(24.0)
Six months ended September 30, 2024	6,330	4.8	266	74.1	359	37.2	822	306.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	108.04	107.20
Six months ended September 30, 2024	142.56	141.29

(2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Six months ended September 30, 2025	18,277	15,566	84.7	2,675.83
Fiscal Year ended March 31, 2024	15,856	13,594	85.2	2,338.53

(Reference) Shareholders' equity Six months ended September 30, 2025 15,479 Million yen
 Year ended March 31, 2025 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	—	63.00			
Fiscal Year ending March 31, 2026 (Forecast)			—	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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	14,000	11.0	510	1.5	670	1.9	1,450	(8.2)	250.64

(Note) Any revisions from the most recently announced earnings forecast: Yes

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 of prior period financial statements

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 September 30, 2025	6,067,200	Shares	As of Mar 31, 2025	6,067,200	Shares
(b) Number of Treasury Shares at end of the period	As of September 30, 2025	282,207	Shares	As of Mar 31, 2025	290,707	Shares
(c) Average number of shares during the period (cumulative interim period)	Six months ended September 30, 2025	5,779,841	Shares	Six months ended September 30, 2024	5,766,168	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 Company plans to hold a financial results briefing for institutional investors and analysts on Friday, October 24, 2025.

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

During the six months ended September 30, 2025, the global economy showed a moderate recovery trend. However, the outlook remained uncertain due to developments in trade and monetary policies in various countries, as well as heightened geopolitical risks. Rising resource and energy prices and delays in logistics contributed to inflationary pressures, affecting monetary policy operations and causing fluctuations in interest rates, foreign exchange, and stock markets.

In the United States, the economy remained generally firm, supported by solid employment conditions and an increase in personal consumption. However, despite policy rate cuts, interest rates stayed at relatively high levels, and concerns about further inflation due to tariffs persisted, leaving the situation unpredictable. In Europe, the economy maintained a moderate recovery supported by personal consumption, but growth slowed as the slump in manufacturing continued. In China, economic conditions temporarily improved due to stimulus measures and a rush in exports ahead of additional U.S. sanctions; however, overall activity remained sluggish, weighed down by weak real estate investment and consumer spending. In Japan, the economy continued to recover moderately, supported by solid personal consumption and inbound demand, although rising prices persisted and manufacturing lacked momentum.

In the electronic components industry, demand related to AI servers and data centers continued to perform strongly, driven by robust demand for generative AI. However, demand in the consumer segment, such as for smartphones and personal computers, and in the industrial equipment segment, including factory automation (FA) machinery, showed only a moderate recovery amid the impact of ongoing U.S.-China trade tensions.

In the automotive electronic components segment, demand increased moderately due to greater electrification—such as the adoption of advanced driver assistance systems (ADAS)—but overall demand was sluggish, affected by the U.S. tariff measures and the 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, modules, and memory devices for generative AI, supported by vigorous demand in this field. However, sales for consumer electronics, including smartphones and personal computers, showed only a moderate recovery. Sales of plating chemicals for connectors remained firm in the smartphone and industrial equipment segments, although they were somewhat sluggish in the automotive segment. Sales of plating chemicals for lead frames were solid in the consumer segment but showed signs of stagnation in the automotive segment, reflecting the impact of continued inventory adjustments.

As a result, net sales totaled 7,536 million yen, (up 9.0% year-on-year). Operating profit was 271 million yen (up 1.9% year-on-year), ordinary profit was 378 million yen (up 5.0% year-on-year), and net profit for the interim period was 624 million yen (down 24.0% year-on-year).

Net sales by application were 3,806 million yen for Printed circuit boards and Semiconductor substrates, 1,057 million yen for Connectors and micro switches, 2,487 million yen for Lead frames and 184 million yen for others:

(2) Summary of Financial Position

a. Description of financial position

(Unit: Million yen)

	March 31, 2025	September 30, 2025	Increase/Decrease	Main reasons for increase/decrease
Current assets	9,544	9,535	(9)	Cash and deposits (312), Raw materials and supplies (53), Other (47), Accounts Receivable +339, Merchandise and finished goods +64
Fixed assets	6,312	8,742	2,429	Investment securities +2,442
Total assets	15,856	18,277	2,420	—
Current liabilities	784	439	(345)	Income taxes payable (332), Accounts payable (39)
Non-current liabilities	1,477	2,271	794	Deferred tax liabilities + 794
Total liabilities	2,261	2,710	448	—

Total net assets	13,594	15,566	1,971	Net unrealized gains (losses) on investment securities + 1,683, Retained earnings +260
Total liabilities and net assets	15,856	18,277	2,420	—

Total assets amounted to 18,277 million yen, an increase of 2,420 million yen from the end of the previous fiscal year.

This was mainly due to an increase in investment securities, as the rise in market value more than offset the progress made in their sales.

Total net assets amounted to 15,566 million yen, an increase of 1,971 million yen from the end of the previous fiscal year.

This was mainly due to an increase in retained earnings resulting from the recording of net profit for the interim period, partially offset by dividend payments, as well as an increase in valuation differences on the investment securities reflecting the rise in their market value.

(3) Explanation of earnings forecasts and other forward-looking information

The Company, in its Medium-Term Management Plan FY2025–FY2027 disclosed on April 28, 2025, set forth a policy regarding specified shares to “reduce the ratio of such shares to less than 20% of net assets during the period of this plan.”

As a result of gains on sales of investment securities (extraordinary income) arising from the sale of shares, including those described in the “Notice Regarding Recording of Gain on Sale of Investment Securities (Extraordinary Income)” dated July 25, 2025, and the “(Update on Disclosed Matter) Notice Regarding Recording of Gain on Sale of Investment Securities (Extraordinary Income)” announced today, net income for the current fiscal year is expected to increase.

For further details, please refer to the “Notice of Revisions of Full-Year Earnings Forecasts” announced today (October 24, 2025).

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

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.

Regarding profit distribution, our basic policy is to ensure flexible shareholder returns in line with our earnings performance, while securing internal reserves necessary for future business development, strengthening the foundation of the management, and growth investments.

In addition, with the aim of achieving long-term growth while maintaining a balance between capital efficiency and financial soundness, and in line with our stance as a Prime Market-listed company to provide a stable level of shareholder returns not unduly affected by short-term performance, we introduced a Dividend on Equity (DOE) system—setting a minimum threshold of 5% in addition to the dividend payout ratio—starting with the year-end dividend for the fiscal year ended March 31, 2024.

Based on this policy, we plan to pay an annual dividend of 126 yen per share for the current fiscal year.

(5) Policy on Specified Investment Shares

In terms of business strategy and business relationships with business partners, the Company holds shares only of companies that would provide feedback on our product development and problem-solving. The Company has 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 Q2	FY 2024 Q3	FY 2024 Q4	FY2025 Q1	FY2025 Q2
Amount sold* (million yen)	752	553	275	—	493
Market value of shares held (million yen)	7,236	7,108	5,974	6,740	8,416
Net assets (million yen)	14,052	14,149	13,594	13,891	15,566
Percentage of net assets (%)	51.5	50.2	43.9	48.5	54.1

*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 (September 30, 2025)
Assets		
Current assets		
Cash on hand and in banks	7,585,250	7,272,628
Accounts receivable	1,176,248	1,516,035
Merchandise and finished goods	60,961	125,828
Raw materials and supplies	487,107	433,327
Other	234,476	187,206
Total current assets	9,544,044	9,535,026
Fixed assets		
Property, plant and equipment	114,336	121,176
Intangible fixed assets	132,289	117,776
Investments and other assets		
Investments securities	5,974,602	8,416,891
Other	91,356	86,325
Total investments and other assets	6,065,958	8,503,216
Total fixed assets	6,312,584	8,742,169
Total assets	15,856,629	18,277,195
Liabilities		
Current liabilities		
Accounts payable	76,195	37,010
Accrued income tax	541,543	208,964
Provision for bonuses	71,892	77,984
Other	95,244	115,418
Total current liabilities	784,875	439,378
Non-current liabilities		
Long-term accrued liabilities	180,882	180,882
Deferred tax liabilities	1,255,506	2,049,867
Asset retirement obligations	40,645	40,723
Total long-term liabilities	1,477,033	2,271,472
Total liabilities	2,261,909	2,710,850
Total net assets		
Share capital		
Capital stock	1,283,196	1,283,196
Capital surplus	1,038,390	1,044,607
Retained earnings	8,781,286	9,041,820
Treasury shares	(691,831)	(671,602)
Total shareholders' equity	10,411,042	10,698,021
Valuation and translation adjustments		
Net unrealized gains (losses) on investment securities, net of taxes	3,097,118	4,780,417
Deferred gains or losses on hedges	316	1,208
Total valuation and translation adjustments	3,097,435	4,781,626
Share acquisition rights	86,242	86,697
Total net assets	13,594,720	15,566,345
Total liabilities and net assets	15,856,629	18,277,195

(Unit: Thousand yen)

	Previous fiscal year (From April 1, 2024 to September 30, 2024)	Current fiscal year (From April 1, 2025 to September 30, 2025)
Net sales	6,330,234	7,536,141
Cost of sales	5,499,161	6,629,850
Gross profit	831,073	906,291
Selling, general and administrative expenses	※ 1 564,573	※ 1 634,809
Operating profit	266,499	271,481
Non-Operating profit		
Interest income	437	6,532
Dividends received	99,040	103,619
Foreign exchange gain (loss)	—	234
Miscellaneous income	680	1,102
Total Non-Operating income	100,158	111,489
Non-operating expenses		
Foreign exchange loss	637	—
Commission Payments	6,148	4,934
Total non-operating expenses	6,785	4,934
Ordinary profit	359,872	378,037
Extraordinary income		
Gain on sales of investment securities, net of tax	774,775	469,830
Gain on reversal of share acquisition rights to	1,936	2,556
Total Extraordinary income	776,711	472,386
Extraordinary loss		
Loss on sales of investment securities, net of tax	495	—
Loss on disposal of fixed assets	15	0
Total extraordinary loss	511	0
Income before income taxes and minority interests	1,136,072	850,424
Corporate, inhabitant and enterprise taxes	324,516	206,793
Income taxes	△10,485	19,177
Total income taxes	314,030	225,971
Net profit	822,042	624,452

(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)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Salaries and Wages	121,918	144,032
Provision for Bonuses	45,521	60,947
Depreciation	36,610	32,561

(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.

(Significant Subsequent Events)

There are no significant subsequent events to be reported.