Supplemental Data of Business Results for FY ending March 2017 (April 1, 2016 to June 30, 2016)

Materials Innovation

JSR

JSR Corporation

With chemistry, we can.

FASF

FY ended March 31 JSR's accounting period (fiscal year) is defined as the period from April 1 to March 31 of the following year.

When noted "FY ending March 2017", this indicates the period from April 1, 2016 to March 31, 2017.

NB: The forecasts, future plans and strategies made in this document contain a variety of uncertain factors since it has been prepared based on judgments from information that is currently available. Actual business results may differ from those projected, depending on factors such as the economic status of the market surrounding the company.

Highlights of Consolidated Results

JSR Corporation

➢The business results of the 1st quarter of FY ending March 2017 made slow progress on the 1st half earnings guidance, however, the results were varied by business segments.

➢In the Petrochemical Products Business, while the net sales volume of SSBR surged from the previous year, overall sales volume increased slightly from the previous year. The earnings of the Petrochemical Products Business resulted in only slight increase from the previous year due to continued stagnation in domestic tire demand. The earnings of the Elastomers business also resulted in only slight increase from the previous year because the negative impact of the rapid appreciation of the yen offset the positive impact of improving buy-sell spreads. The earnings of the Plastics business decreased sharply from the previous year because its profitability declined due to stronger yen and so on.

➢In the Fine chemicals and other businesses, despite increase in sales volume, the sales decreased from the previous year mainly caused by negative impact of the stronger yen. This was also because of tough competition and slow demand in the Display materials business.

➢For the 2nd quarter of the FY ending March 2017, we expect some improvement in the earning of the Petrochemical Products Business thanks to gradual recovery of the buy-sell spreads. For the Fine chemicals and other products business, we expect sales growth in Semiconductor materials business and the Display materials business.

(Consolidated) Overall Income Statements

JSR Corporation

(Unit:¥mm)

	FY ended March 2016 1Q	FY ending March 2017 1Q	Year-on-year comparison	
Net sales	95,435	88,786	△ 6,650	93%
Cost of sales	70,081	62,482	△ 7,599	89%
SGA	17,947	20,667	+2,719	115%
Operating income	7,407	5,637	△ 1,770	76%
Non operating income/expenses	△ 337	37	+375	△ 11%
Ordinary income	7,069	5,674	△ 1,395	80%
Extraordinary income/losses	△ 344	△ 415	△ 71	121%
Net income before tax	6,724	5,259	△ 1,466	78%
Corporate tax and others	2,526	1,091	△ 1,436	43%
Loss attributable to non-controlling interests	△ 752	△ 100	+653	13%
Profit attributable to owners of parent	4,950	4,268	△ 683	86%
Comprehensive income	5,436	△ 7,328	△ 12,764	△ 135%
EPS(Yen)	21.51	18.92	△ 2.59	88%

Exchange rate (Yen/US $)	121.36	108.14		
Butadiene price (US $ /Ton)	1,124	998		
MOPJ($/Ton)	563	*411*		
Naphtha price (Yen/kl)	48,800	*31,400*		

***Butadiene Price : Platts S.E Asia(MEAN)**

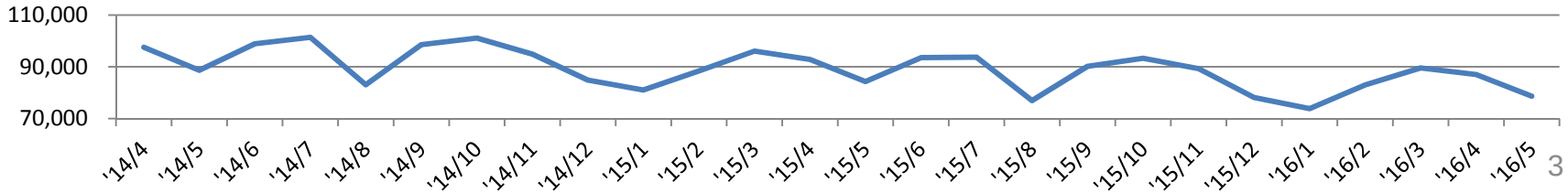
(Consolidated) Segment Data (Petrochemical Products)

JSR Corporation

(Unit:¥mm)

		FY ended March 2016 1Q	FY ending March 2017 1Q	Year-on-year comparison	
Reference: Sales volume of Elastomers (Tons) (non-consolidated & JSR BST Elastomer)		151,403	155,451	+4,048	103%
Net sales	Elastomers	43,559	40,528	△ 3,032	93%
	Plastics	13,332	11,251	△ 2,081	84%
	Petrochemicals Total	56,891	51,779	△ 5,113	91%
Operating income	Elastomers	842	903	+61	107%
	Plastics	1,369	451	△ 919	33%
	Petrochemicals Total	2,211	1,354	△ 858	61%
Operating income to sales	Elastomers	1.9%	2.2%		
	Plastics	10.3%	4.0%		
	Petrochemicals Total	3.9%	2.6%		

(Reference) Production of automobile tyres and tubes (Unit: Tons. Source：JATMA)



(Consolidated) Segment Data (Fine Chemicals and Other Products)

JSR Corporation

(Unit:¥mm)

			FY ended March 2016 1Q	FY ending March 2017 1Q	Year-on-year comparison	
Net sales	Reference	Semiconductor Materials	15,574	14,693	△ 881	94%
		Display Materials	17,163	13,960	△ 3,203	81%
		Others	5,806	8,354	+2,548	144%
	Fine Chemicals and Other Products Total		38,543	37,007	△ 1,537	96%
Operating income			5,195	4,283	△ 912	82%
Operating income to Sales			13.5%	11.6%		

(Reference : Sales growth by product of Fine Chemicals and Other Products)

Semiconductor Materials

	FY ending March 2017 Q1 YoY (Apr – Jun)
ArF Photoresists	Flat
Multilayer Materials	Slight decrease
Other Lithography Materials	Approx. 85%
CMP Materials	Approx. 85%
Packaging Materials	Slightly under 85%

Display Materials

	FY ending March 2017 Q1 YoY (Apr – Jun)
Alignment Films	Approx. 85%
Color Pigmented Resists	Approx. 75%
Other LCD Materials	Approx. 80%

Others

	FY ending March 2017 Q1 YoY (Apr – Jun)
OFC	Slight decrease
ARTON	Flat
Life Sciences	Approx. 205%

(Consolidated) Segment Data (Quarterly Trends)

JSR Corporation

(Unit:¥mm)

		FY ended March 2016 Apr-Jun.2015	FY ended March 2016 Jul-Sep.2015	FY ended March 2016 Oct-Dec.2015	FY ended March 2016 Jan-Mar.2016	FY ending March 2017 Apr-Jun.2016	Quarter-on-quarter comparison	
Reference: Sales volume of Elastomers (Tons) (non-consolidated & JSR BST Elastomer)		151,403	160,218	165,901	162,084	155,451	△ 6,633	96%
Net sales	Elastomers	43,559	46,728	44,960	44,004	40,528	△ 3,477	92%
	Plastics	13,332	13,606	13,671	11,596	11,251	△ 345	97%
	Fine Chemicals and Others	38,543	39,363	40,713	36,628	37,007	+378	101%
	Total	95,435	99,698	99,345	92,230	88,786	△ 3,444	96%
Operating income	Elastomers	842	3,061	2,930	657	903	+246	137%
	Plastics	1,369	1,407	1,249	1,087	451	△ 636	41%
	Fine Chemicals and Others	5,195	7,243	6,167	3,196	4,283	+1,086	134%
	Total	7,407	11,712	10,347	4,941	5,637	+696	114%
Exchange rate (Yen/US $)		121.36	122.23	121.50	115.48	108.14		
Butadiene price (US $/Ton)		1,124	978	721	891	998		
MOPJ ($/Ton)		564	461	445	344	*411*		
Naphtha price (yen/kl)		48,800	47,200	40,900	34,300	*31,400*		

(Reference : Sales breakdown of Fine Chemicals and Other Products)

***Butadiene price : Platts S.E Asia(MEAN)**

(Unit:¥bn)

	FY ended March 2016 Apr-Jun.2015	FY ended March 2016 Jul-Sep.2015	FY ended March 2016 Oct-Dec.2015	FY ended March 2016 Jan-Mar.2016	FY ending March 2017 Apr-Jun.2016	Quarter-on-quarter comparison	
Semiconductor Materials	15.6	16.4	16.2	14.5	14.7	+0.2	101%
Display Materials	17.2	16.6	14.9	13.5	14.0	+0.4	103%
Others	5.8	6.3	9.7	8.6	8.4	△ 0.3	97%

Non operating income/expenses

(Unit:¥mm)

	FY ended March 2016 1Q	FY ending March 2017 1Q	Year-on-year comparison
Interest and dividends income	313	254	△60
Equity in earnings of affiliates	299	334	+34
Others	246	665	+418
Total non operating income	859	1,252	+392
Interest expenses	123	142	+18
Foreign exchange losses	614	567	△47
Others	460	506	+46
Total non operating expenses	1,197	1,215	+17
Non operating income/expenses	△ 337	37	+375

Extraordinary income/losses

(Unit:¥mm)

	FY ended March 2016 1Q	FY ending March 2017 1Q	Year-on-year comparison
Total extraordinary income	–	–	–
Provision of allowance for doubtful accounts	–	209	+209
Loss on valuation of investment securities	–	206	+206
Loss on sales of investments in capital of subsidiaries and associates	344	–	△344
Total extraordinary losses	344	415	+71
Extraordinary income/losses	△344	△415	△71

(Consolidated) Balance Sheets

JSR Corporation

(Unit:¥mm)

	2016/3E	2016/6E	Year-on-year comparison
(Assets)			
Current assets	300,532	299,283	△ 1,250
Cash, deposits and marketable securities	112,091	122,862	+10,770
Notes and accounts receivable	77,878	73,678	△ 4,200
Inventories	77,458	74,188	△ 3,270
Others	33,104	28,555	△ 4,550
Non-current assets	215,827	208,480	△ 7,347
Tangible and intangible assets	129,357	136,021	+6,664
Investments and other assets	86,470	72,459	△ 14,011
Total assets	516,359	507,763	△ 8,597
(Liabilities)			
Current liabilities	109,322	105,133	△ 4,189
Notes and accounts payable	53,836	51,433	△ 2,403
Others	55,486	53,701	△ 1,786
Non-current liabilities	44,683	48,454	+3,770
Total liabilities	154,005	153,587	△ 419
(Net assets)			
shareholder's equity	329,420	327,739	△ 1,681
Accumulated other comprehensive income	23,724	12,642	△ 11,082
Others	9,208	13,794	+4,585
Total net assets	362,353	354,175	△ 8,178
Liabilities and net assets	516,359	507,763	△ 8,597

Equity capital ratio
2015/6E :67.0%
2016/3E :68.4%

Reference Data Projections for FY ending March 2017 (Unchanged)

JSR Corporation

(Unit:¥bn)

	FY ended March 2016			FY ending March 2017			Increase/decrease		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Net sales	195.1	191.6	386.7	*190.0*	*205.0*	*395.0*	*△ 5.1*	*+13.4*	*+8.3*
Operating income	19.1	15.3	34.4	*17.0*	*18.0*	*35.0*	*△ 2.1*	*+2.7*	*+0.6*
Ordinary income	16.8	16.8	33.6	*17.5*	*18.5*	*36.0*	*+0.7*	*+1.7*	*+2.4*
Profit attributable to owners of parent	12.5	11.6	24.1	*12.5*	*12.0*	*24.5*	*△ 0.0*	*+0.4*	*+0.4*
Depreciation	8.9	9.6	18.5	*7.0*	*8.0*	*15.0*	*△ 1.9*	*△ 1.6*	*△ 3.5*
Capital expenditures	13.1	11.2	24.3	*19.0*	*22.5*	*41.5*	*+5.9*	*+11.3*	*+17.2*
R&D expenses	10.4	11.1	21.5	*10.3*	*10.2*	*20.5*	*△ 0.1*	*△ 0.9*	*△ 1.0*
Exchange rate (yen/US $)	121.80	118.49	120.14	*110.00*	*110.00*	*110.00*			
Naphtha price (yen/kl)	48,000	37,600	42,800	*40,000*	*40,000*	*40,000*			

(Reference: Sales by segment)

(Unit:¥bn)

	FY ended March 2016			FY ending March 2017			Increase/decrease		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Elastomers	90.3	89.0	179.3	*90.0*	*100.0*	*190.0*	*△ 0.3*	*+11.0*	*+10.7*
Plastics	26.9	25.3	52.2	*25.0*	*25.0*	*50.0*	*△ 1.9*	*△ 0.3*	*△ 2.2*
Fine Chemicals and Others	77.9	77.3	155.2	*75.0*	*80.0*	*155.0*	*△ 2.9*	*+2.7*	*△ 0.2*
Total	195.1	191.6	386.7	*190.0*	*205.0*	*395.0*	*△ 5.1*	*+13.4*	*+8.3*

Announcement of Earnings Results

FY ending March 2017 Q2	October 24th 2016
FY ending March 2017 Q3	January 30th 2017

*Please note that the above is subject to change.