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

Materials Innovation

JSR

JSR Corporation

With chemistry, we can.

公益財団法人 財務会計基準機構 会員

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 half of FY ending March 2017 ended significantly lower than the earnings guidance presented earlier owing to following factors: the continued appreciation of the yen, as well as a slump in domestic tire demand and the spread margin deterioration in the Elastomers business. However, the results were varied by business segments.

➢In the Elastomers business, while the net sales volume of SSBR grew steadily despite sluggish domestic tire demand situations, the overall earnings fell from the previous year. That was attributed to appreciation of the yen and the spread margin deterioration. The earnings of the Plastics business also decreased from the previous year because the negative impact of the worsening spread margin and stronger yen exceeded the positive impact of the decline in raw material prices.

➢In the Fine chemicals and other businesses, despite increase in sales volume of main products in the Semiconductor materials business and the Display materials business, the total earnings decreased from the previous year. That was because of tough competition in the Display materials business and the negative impact of the stronger yen.

➢We have revised down the annual earnings guidance considering the progress of our business results until the 1st half.
Exchange rate is assumed 100 yen / the U.S. dollar. For the Elastomers Business, the net sales volume (mainly SSBR) will grow steadily despite stagnation in domestic tire demand. For the Plastics business, the sales volume (mainly export) is expected to increase. For the Fine chemicals and other products business, we expect demand situations in customers' industries will be solid on the whole. Overall, we forecast the earnings in 2nd half will exceed 1st half levels despite the negative impact of yen's appreciation.

(Consolidated) Overall Income Statements

JSR Corporation

(Unit:¥mm)

	FY ended Mar. 2016 1H	FY ending Mar. 2017 1H	Year-on-year comparison	
Net sales	195,133	181,866	△ 13,268	93%
Cost of sales	141,121	128,880	△ 12,242	91%
SGA	34,892	40,687	+5,795	117%
Operating income	19,119	12,298	△ 6,821	64%
Non operating income/expenses	△ 2,302	1,514	+3,817	–
Ordinary income	16,816	13,812	△ 3,005	82%
Extraordinary income/losses	△ 586	△ 209	+377	–
Net income before tax	16,230	13,603	△ 2,627	84%
Corporate tax and others	5,670	2,576	△ 3,095	45%
Loss attributable to non-controlling interests	△ 1,955	111	+2,067	–
Profit attributable to owners of parent	12,514	10,915	△ 1,600	87%
Comprehensive income	5,437	△ 268	△ 5,705	–
EPS(Yen)	54.68	48.55	△ 6.13	89%
Exchange rate (Yen/US $)	121.80	105.29	△ 16.51	86%
Butadiene price (US $ /Ton)	1,051	1,037	△ 14	99%
MOPJ($/Ton)	512	400	△ 112	78%
Naphtha price (Yen/kl)	48,000	*31,300*	*△ 16,700*	*65%*

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

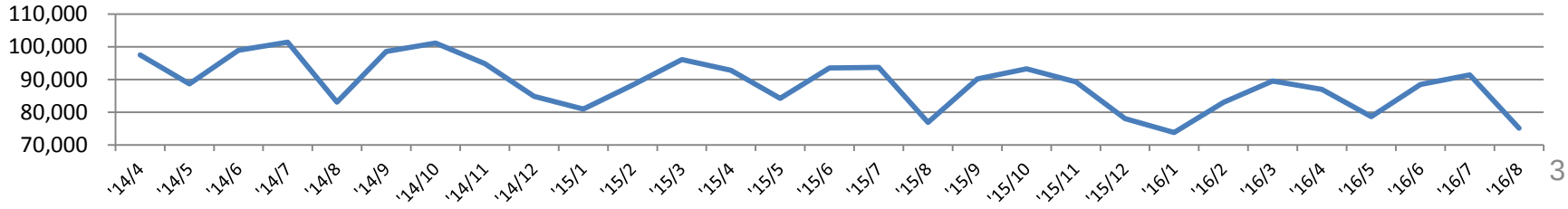
(Consolidated) Segment Data (Petrochemical Products)

JSR Corporation

(Unit:¥mm)

		FY ended Mar. 2016 1H	FY ending Mar. 2017 1H	Year-on-year comparison	
Reference: Sales volume of Elastomers (Tons) (non-consolidated & JSR BST Elastomer)		311,621	327,296	+15,675	105%
Net sales	Elastomers	90,287	83,282	△ 7,006	92%
	Plastics	26,938	22,110	△ 4,828	82%
	Petrochemicals Total	117,226	105,392	△ 11,834	90%
Operating income	Elastomers	3,903	1,765	△ 2,139	45%
	Plastics	2,777	1,413	△ 1,364	51%
	Petrochemicals Total	6,681	3,178	△ 3,503	48%
Operating income to sales	Elastomers	4.3%	2.1%		
	Plastics	10.3%	6.4%		
	Petrochemicals Total	5.7%	3.0%		

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



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

JSR Corporation

(Unit:¥mm)

			FY ended Mar. 2016 1H	FY ending Mar. 2017 1H	Year-on-year comparison	
Net sales	Reference	Semiconductor Materials	31,964	30,239	△ 1,726	95%
		Display Materials	33,810	28,377	△ 5,433	84%
		Others	12,132	17,858	+5,725	147%
	Fine Chemicals and Other Products Total		77,907	76,473	△ 1,434	98%
Operating income			12,438	9,120	△ 3,318	73%
Operating income to Sales			16.0%	11.9%		

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

Semiconductor Materials

	FY ending March 2017 1H YoY (Apr – Sep)
ArF Photoresists	Slightly over 95%
Multilayer Materials	Slight decrease
Other Lithography Materials	Approx. 90%
CMP Materials	Approx. 95%
Packaging Materials	Approx. 80%

Display Materials

	FY ending March 2017 1H YoY (Apr – Sep)
Alignment Films	Approx. 90%
Color Pigmented Resists	Approx. 75%
Other LCD Materials	Approx. 85%

Others

	FY ending March 2017 1H YoY (Apr – Sep)
OFC	Slightly over 95%
ARTON	Flat
Life Sciences	Approx. 215%

(Consolidated) Segment Data (Quarterly Trends)

JSR Corporation

(Unit:¥mm)

		FY ended Mar. 2016 Jul-Sep.2015	FY ended Mar. 2016 Oct-Dec.2015	FY ended Mar. 2016 Jan-Mar.2016	FY ending Mar. 2017 Apr-Jun.2016	FY ending Mar. 2017 Jul-Sep.2016	Quarter-on-quarter comparison	
Reference: Sales volume of Elastomers (Tons) (non-consolidated & JSR BST Elastomer)		160,218	165,901	162,084	155,451	171,845	+16,394	111%
Net sales	Elastomers	46,728	44,960	44,004	40,528	42,754	+2,226	105%
	Plastics	13,606	13,671	11,596	11,251	10,859	△ 393	97%
	Fine Chemicals and Others	39,363	40,713	36,628	37,007	39,467	+2,460	107%
	Total	99,698	99,345	92,230	88,786	93,080	+4,293	105%
Operating income	Elastomers	3,061	2,930	657	903	862	△ 41	95%
	Plastics	1,407	1,249	1,087	451	962	+511	213%
	Fine Chemicals and Others	7,243	6,167	3,196	4,283	4,840	+557	113%
	Total	11,712	10,347	4,941	5,637	6,663	+1,026	118%
Exchange rate (Yen/US $)		122.23	121.50	115.48	108.14	102.43		
Butadiene price (US $/Ton)		978	721	891	998	1,073		
MOPJ ($/Ton)		461	445	344	411	*389*		
Naphtha price (yen/kl)		47,200	40,900	34,300	31,600	*31,000*		

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

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

(Unit:¥bn)

	FY ended Mar. 2016 Jul-Sep.2015	FY ended Mar. 2016 Oct-Dec.2015	FY ended Mar. 2016 Jan-Mar.2016	FY ending Mar. 2017 Apr-Jun.2016	FY ending Mar. 2017 Jul-Sep.2016	Quarter-on-quarter comparison	
Semiconductor Materials	16.4	16.2	14.5	14.7	15.5	+0.9	106%
Display Materials	16.6	14.9	13.5	14.0	14.4	+0.5	103%
Others	6.3	9.7	8.6	8.4	9.5	+1.2	114%

(Consolidated) Non Operating Income/Expenses, Extraordinary Income / Losses

Non operating income/expenses

(Unit:¥mm)

	FY ended Mar. 2016 1H	FY ending Mar. 2017 1H	Year-on-year comparison
Interest and dividends income	705	670	△36
Equity in earnings of affiliates	618	550	△68
Gain on investments in partnership	–	1,185	+1,185
Others	344	1,063	+718
Total non operating income	1,669	3,468	+1,799
Interest expenses	246	252	+6
Foreign exchange losses	2,777	832	△1,945
Others	947	870	△78
Total non operating expenses	3,972	1,954	△2,018
Non operating income/expenses	△ 2,302	1,514	+3,817

Extraordinary income/losses

(Unit:¥mm)

	FY ended Mar. 2017 1H	FY ending Mar. 2017 1H	Year-on-year comparison
Total extraordinary income	–	–	–
Provision of allowance for doubtful accounts	–	209	+209
Restructuring loss	223	–	△223
Loss on sales of investments in capital of subsidiaries and associates	363	–	△363
Total extraordinary losses	586	209	△377
Extraordinary income/losses	△586	△209	+377

(Consolidated) Balance Sheets

JSR Corporation

（Unit：¥mm）

	2016/3E	2016/9E	Year-on-year comparison
(Assets)			
Current assets	300,532	302,806	+2,274
Cash, deposits and marketable securities	112,091	120,177	+8,086
Notes and accounts receivable	77,878	76,836	△ 1,043
Inventories	77,458	74,901	△ 2,557
Others	33,104	30,892	△ 2,212
Non-current assets	215,827	213,090	△ 2,737
Tangible and intangible assets	129,357	136,357	+7,000
Investments and other assets	86,470	76,733	△ 9,737
Total assets	516,359	515,897	△ 463
(Liabilities)			
Current liabilities	109,322	109,045	△ 277
Notes and accounts payable	53,836	56,082	+2,246
Others	55,486	52,963	△ 2,523
Non-current liabilities	44,683	50,137	+5,454
Total liabilities	154,005	159,182	+5,176
(Net assets)			
shareholder's equity	329,420	329,869	+448
Accumulated other comprehensive income	23,724	13,033	△ 10,691
Others	9,208	13,813	+4,604
Total net assets	362,353	356,714	△ 5,639
Liabilities and net assets	516,359	515,897	△ 463

Capital-to-Asset ratio
2016/9E：66.5%
2016/3E：68.4%

Reference Data Projections for FY ending March 2017 <Changed>

JSR Corporation

(Unit:¥bn)

	FY ended Mar.2016			FY ending Mar.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	181.9	*185.1*	*367.0*	△ 13.3	*△ 6.4*	*△ 19.7*
Operating income	19.1	15.3	34.4	12.3	*13.7*	*26.0*	△ 6.8	*△ 1.6*	*△ 8.4*
Ordinary income	16.8	16.8	33.6	13.8	*14.2*	*28.0*	△ 3.0	*△ 2.6*	*△ 5.6*
Profit attributable to owners of parent	12.5	11.6	24.1	10.9	*10.1*	*21.0*	△ 1.6	*△ 1.5*	*△ 3.1*
Depreciation	8.9	9.6	18.5	6.7	*7.3*	*14.0*	△ 2.2	*△ 2.4*	*△ 4.5*
Capital expenditures	13.1	11.2	24.3	16.5	*25.0*	*41.5*	+3.4	*+13.8*	*+17.2*
R&D expenses	10.4	11.1	21.5	9.7	*10.8*	*20.5*	△ 0.7	*△ 0.3*	*△ 1.0*
Exchange rate (yen/US $)	121.80	118.49	120.14	105.29	*100.00*	*102.65*			
Naphtha price (yen/kl)	48,000	37,600	42,800	*31,300*	*34,000*	*32,650*			

(Reference : Sales by segment)

(Unit:¥bn)

	FY ended Mar.2016			FY ending Mar.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	83.3	*86.7*	*170.0*	△ 7.0	*△ 2.2*	*△ 9.3*
Plastics	26.9	25.3	52.2	22.1	*24.9*	*47.0*	△ 4.8	*△ 0.4*	*△ 5.2*
Fine Chemicals and Others	77.9	77.3	155.2	76.5	*73.5*	*150.0*	△ 1.4	*△ 3.8*	*△ 5.2*
Total	195.1	191.6	386.7	181.9	*185.1*	*367.0*	△ 13.3	*△ 6.4*	*△ 19.7*

Announcement of Earnings Results

FY ending Mar. 2017 Q3	January 30, 2017
FY ending Mar. 2017 Q4	April 24, 2017

*Please note that the above is subject to change.