Supplemental Data of Business Results for FY ending March 2018

(April 1, 2017 to June 30, 2017)

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

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.

From this quarter, IFRS (International Accounting Standard) has been applied. The comparative year figures are also replaced by IFRS from JGAPP (Japanese standard).

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Summary of the Consolidated Financial Results

Unit: Million yen

		FY ended March 2017 1Q	FY ended March 2017 4Q	FY ending March 2018 1Q	YoY	QoQ
Sales revenue		89,238	107,333	101,128	113%	94%
	Elastomers	40,528	54,055	47,853	118%	89%
	Plastics	11,251	12,594	12,409	110%	99%
	Fine Chemicals and the Other	37,459	40,684	40,866	109%	100%
Operating income (OP margin)		6,873 (8%)	10,234 (10%)	12,706 (13%)	185%	124%
	Elastomers (OP margin)	1,246 (3%)	3,339 (6%)	5,765 (12%)	463%	173%
	Plastics (OP margin)	488 (4%)	1,081 (9%)	1,418 (11%)	290%	131%
	Fine Chemicals and the Other (OP margin)	5,138 (14%)	5,814 (14%)	5,523 (14%)	107%	95%
Profit, attributable to owners of parent		5,053	7,943	9,449	187%	119%

	Exchange rate (JPY/US$)	108	114	111
	Naphtha price (JPY/KL)	31,600	41,900	*39,000*
a	Butadiene Price (US$/Ton)	998	2,602	1,072
b	MOPJ (US$/Ton)	411	499	*446*
	Spread (a-b)	587	2103	*626*

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

Business Overview

The first quarter of FY ending March 2018's Results

- Both sales and operating profit (OP) increased sharply YoY. Moreover, it showed great progress toward our target which we announced in April.

Petrochemical Products Business: Both sales and OP increased YoY.

- Both sales and OP of the Elastomer business increased sharply YoY. That was because spread between sales price and raw material price was sharply widen as a result of sales price revision among the recovery in the market condition since the second half of last year as well as sales volume increase.
- Both sales and OP of the Plastic business also increased YoY mainly because of export sales increase.

Fine Chemicals and other Businesses: Both sales and OP increased YoY.

- The sales of the Semiconductor materials business grew significantly YoY. That was attribute to the sales growth of the materials for cutting-edge processes in our major customers and strong demand in the semiconductor industry.
- In the Display materials business, the sales were steady thanks to sales increase of our main products.
- In the Life Sciences business, we continued to focus on launching the business and invest for growth in the fields related to antibody drugs.

- From this quarter, IFRS (International Accounting Standard) has been applied.
- We have not revised the projection for the FY ending March 2018.

(Consolidated) Overall Income Statements

JSR Corporation

Unit: Million yen

	FY ended March 2017 1Q	FY ending March 2018 1Q	YoY	
Sales revenue	89,238	101,128	+11,891	113%
Cost of sales	62,422	68,209	+5,787	109%
Gross profit (Sales ratio)	26,816 (30%)	32,920 (33%)	+6,104	123%
Selling, general and administrative expense	20,420 (23%)	20,391 (20%)	△ 30	100%
Other operating income & expense	143	24	△ 118	17%
Equity income of affiliated companies	335	153	△ 182	46%
Operating income (Sales ratio)	6,873 (8%)	12,706 (13%)	+5,833	185%
Finance income	254	1,007	+753	397%
Of the above, Foreign exchange gains	-	438	+438	-
Finance costs	695	225	△ 470	32%
Of the above, Foreign exchange losses	567	-	△ 567	-
Tax expense	1,228	3,441	+2,212	280%
Profit (Sales ratio)	5,203 (6%)	10,047 (10%)	+4,844	193%
Profit, attributable to owners of parent (Sales ratio)	5,053 (6%)	9,449 (9%)	+4,395	187%
Profit, attributable to non-controlling interests	150	599	+449	399%

	Exchange rate (JPY/US$)	108	111
	Naphtha price (JPY/KL)	31,600	*39,000*
a	Butadiene Price (US$/Ton)	998	1,072
b	MOPJ (US$/Ton)	411	*446*
	Spread (a-b)	587	*626*

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

(Consolidated) Overall Balance Sheets

JSR Corporation

Unit: Million yen

	2017/3E	2017/6E	Quarter on quarter comparison
(Assets)			
Current assets	344,128	316,538	△ 27,591
Cash and cash equivalents	97,416	79,099	△ 18,318
Trade and other receivables	111,130	104,266	△ 6,864
Inventories	81,917	85,595	+3,678
Others	53,665	47,578	△ 6,087
Non-current assets	234,355	254,595	+20,239
Property, plant and equipment	131,748	136,250	+4,502
Goodwil	9,331	18,968	+9,636
Other intangible assets	9,190	9,685	+495
Others	84,087	89,692	+5,606
Assets	578,484	571,133	△ 7,351
(Liabilities)			
Current liabilities	139,120	121,693	△ 17,427
Trade and other payables	95,037	82,964	△ 12,073
Borrowings	23,741	24,566	+826
Others	20,342	14,162	△ 6,180
Non-current liabilities	63,000	65,385	+2,385
Borrowings	38,381	39,771	+1,390
Others	24,619	25,614	+995
Liabilities	202,120	187,078	△ 15,042
(Equities)			
Equity attributable to owners of parent	361,889	368,641	+6,752
Non-controlling interests	14,475	15,414	+939
Equities	376,364	384,055	+7,691
Liabilities & Equities	578,484	571,133	△ 7,351

Capital-to-Asset ratio
2017/3E :62.6%
2017/6E :64.5%

Segment Data: Petrochemical Products

JSR Corporation

Unit: Million yen

	FY ended March 2017 1Q	FY ended March 2017 4Q	FY ending March 2018 1Q	YoY		QoQ	
Sales volume of Elastomers (Ton) (non-consolidated & JSR BST Elastomer)	155,451	179,434	156,913	+1,462	101%	-22,521	87%
Sales revenue of Petrochemicals	51,779	66,649	60,262	+8,484	116%	-6,387	90%
Elastomers	40,528	54,055	47,853	+7,325	118%	-6,203	89%
Plastics	11,251	12,594	12,409	+1,158	110%	-184	99%
Operating income of Petrochemicals (OP margin)	1,735 (3%)	4,420 (7%)	7,183 (12%)	+5,448	414%	+2,763	163%
Elastomers (OP margin)	1,246 (3%)	3,339 (6%)	5,765 (12%)	+4,519	463%	+2,425	173%
Plastics (OP margin)	488 (4%)	1,081 (9%)	1,418 (11%)	+930	290%	+337	131%

	Exchange rate (JPY/US$)	108	114	111
	Naphtha price (JPY/KL)	31,600	41,900	*39,000*
a	Butadiene Price (US$/Ton)	998	2,602	1,072
b	MOPJ (US$/Ton)	411	499	*446*
	Spread (a-b)	587	2103	*626*

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

YoY OP Analysis (Billion yen)

Elastomers	Volume +0.3 Price +4.1 Others +0.1
Plastics	Volume +0.4 Price +0.3 Others +0.2

QoQ OP Analysis (Billion yen)

Elastomers	Volume -2.5 Price +3.8 Others +1.1
Plastics	Volume -0.1 Price +0.2 Others +0.2

Segment Data: Fine Chemicals and Other Products

JSR Corporation

Unit: Million yen

		FY ended March 2017 1Q	FY ended March 2017 4Q	FY ending March 2018 1Q	YoY		QoQ	
Sales revenue of Fine Chemicals and the Other		37,459	40,684	40,866	+3,407	109%	+183	100%
	Semiconductor materials	14,697	16,246	17,617	+2,920	120%	+1,371	108%
	Display materials	13,960	14,104	13,669	-291	98%	-435	97%
	Others	8,802	10,334	9,580	+778	109%	-754	93%
Operating income of Fine Chemicals and the Other (OP margin)		5,138 (14%)	5,814 (14%)	5,523 (14%)	+385	107%	-291	95%
Exchange rate (JPY/US$)		108	114	111				

YoY OP Analysis (Billion yen)

Fine Chemicals and Other	Volume +1.3 Price +0.3 Others -1.2

QoQ OP Analysis (Billion yen)

Fine Chemicals and Other	Volume +0.3 Price -0.5 Others -0.1

Sales growth by product of Fine Chemicals and Other Products :

Semiconductor Materials

	FY ending Mar. 2018 YoY (Apr – June)
ArF Photoresists	Approx. 120%
Multilayer Materials	Approx. 105%
Other Lithography Materials	Slightly over 125%
CMP Materials	Slightly under 130%
Packaging Materials	Slightly under 125%

Display Materials

	FY ending Mar. 2018 YoY (Apr – June)
Alignment Films	Approx. 105%
Color Pigmented Resists	Slightly under 90%
Other LCD Materials	Approx. 105%

Others

	FY ending Mar. 2018 YoY (Apr – June)
OFC	Slight decrease
ARTON	Slightly under 155%
Life Sciences	Flat

Projections for FY ending March 2018 <Unchanged>

JSR Corporation

Unit: Billion yen

		FY ended March 2017 (IFRS)	Projection for FY ending March 2018 (IFRS)		
		Full year	1st half	2nd half	Full year
Sales revenue		388.5	195.0	210.0	405.0
	Elastomers	185.3	95.0	100.0	195.0
	Plastics	46.0	25.0	25.0	50.0
	Fine Chemicals and the Other	157.1	75.0	85.0	160.0
Operating income		35.9	15.0	20.0	35.0
(OP margin)		(9%)	(8%)	(10%)	(9%)
Profit, attributable to owners of parent		30.2	11.5	15.0	26.5
(Profit margin)		(16%)	(12%)	(15%)	(14%)
Depreciation expenses		14.7	8.0	9.0	17.0
Capital expenditures		31.8	24.0	23.0	47.0
R&D expenses		19.7	10.5	10.5	21.0

Exchange rate (JPY/US$)	108	110
Naphtha price (JPY/KL)	34,725	40,000
Butadiene price (US$/Ton)	1,551	1,500

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

Quarterly Sales & Operating Income Trends by Segments

JSR Corporation

Unit: Million yen

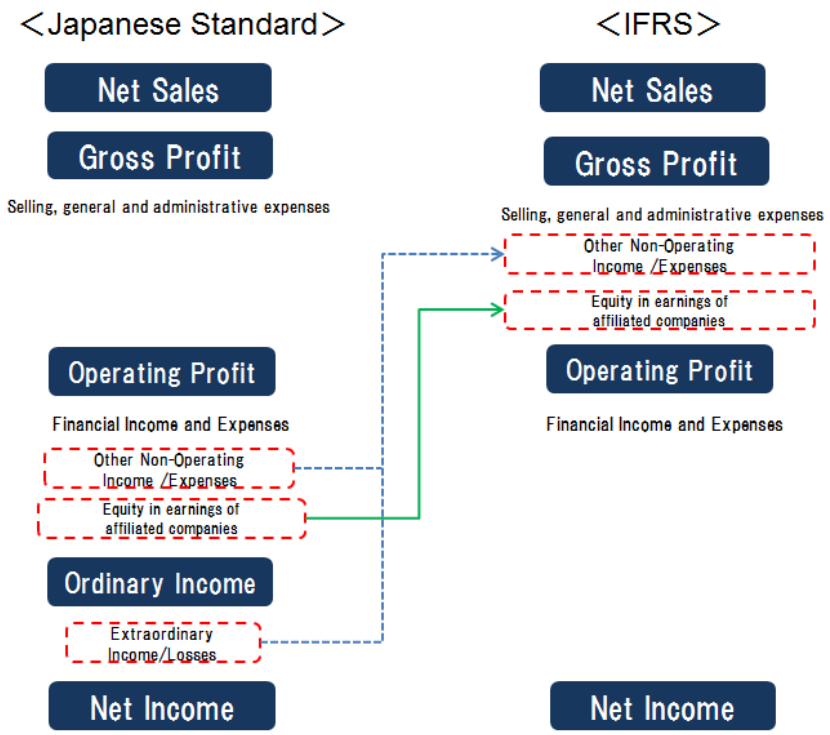
		FY ended Mar. 2017 Apr-Jun.2016	FY ended Mar. 2017 Jul-Sep.2016	FY ended Mar. 2017 Oct-Dec.2016	FY ended Mar. 2017 Jan-Mar.2017	FY ending Mar. 2018 Apr-Jun.2017	QoQ	
Sales volume of Elastomers (Ton) (non-consolidated & JSR BST Elastomer)		155,451	171,845	189,258	179,434	156,913	△ 22,521	87%
Sales revenue		89,238	92,991	98,894	107,333	101,128	△ 6,204	94%
	Elastomers	40,528	42,754	48,008	54,055	47,853	△ 6,203	89%
	Plastics	11,251	10,860	11,329	12,594	12,409	△ 184	99%
	Fine Chemicals and the Other	37,459	39,377	39,557	40,684	40,866	+183	100%
	Semicoductor materials	14,697	15,545	15,663	16,246	17,617	+1,371	108%
	Display materials	13,960	14,413	14,325	14,104	13,669	△ 435	97%
	Others	8,802	9,419	9,570	10,334	9,580	△ 754	93%
Operating income (OP marigin)		6,873 (8%)	8,080 (9%)	10,756 (11%)	10,234 (10%)	12,706 (13%)	+2,472	124%
	Elastomers (OP margin)	1,246 (3%)	1,053 (2%)	3,161 (7%)	3,339 (6%)	5,765 (12%)	+2,425	172%
	Plastics (OP margin)	488 (4%)	996 (9%)	1,285 (11%)	1,081 (9%)	1,418 (11%)	+337	131%
	Fine Chemicals and the Other (OP marigin)	5,138 (14%)	6,030 (15%)	6,311 (16%)	5,814 (14%)	5,523 (14%)	△ 291	95%

	Exchange rate (JPY/US$)	108	102	109	114	111
	Naphtha price (JPY/KL)	31,600	31,300	34,100	41,900	*39,000*
a	Butadiene Price (US$/Ton)	998	1,073	1,572	2,602	1,072
b	MOPJ (US$/Ton)	411	389	450	499	*446*
	Spread (a-b)	587	684	1,122	2103	*626*

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

Explanation of Differences between JGAAP and IFRS

JSR Corporation



Unit: Billion yen

	FY ended March 2017 1Q JGAPP	Changes of accounting closing period	Equity income of affiliated companies	Others	FY ended March 2017 1Q IFRS
Sales revenue	88.8	+0.5	-	-	89.2
Operating income	5.6	+0.5	+0.3	+0.4	6.9
Profit	4.2	+0.5	-	+0.5	5.2

Unit: Billion yen

	FY ended March 2017 JGAPP	Changes of accounting closing period	Equity income of affiliated companies	Others	FY ended March 2017 IFRS
Sales revenue	390.6	-2.1	-	-	388.5
Operating income	32.4	+0.2	+0.7	+2.6	35.9
Profit	30.3	+0.2	-	-0.0	30.5

Announcement of Earnings Results

FY ending Mar.2018 Q2	October 30th 2017
FY ending Mar.2018 Q3	January 29th 2018

*Please note that the above is subject to change.