
Materials Innovation



With chemistry, we can.



JUMP 2010

May, 2007
JSR Corporation

Note

The forecasts, future plans and strategies made in this document include a variety of uncertain factors since those are prepared based on judgments from information currently available. Actual business results may differ from those projected, depending on the economic status of the market surrounding the company.

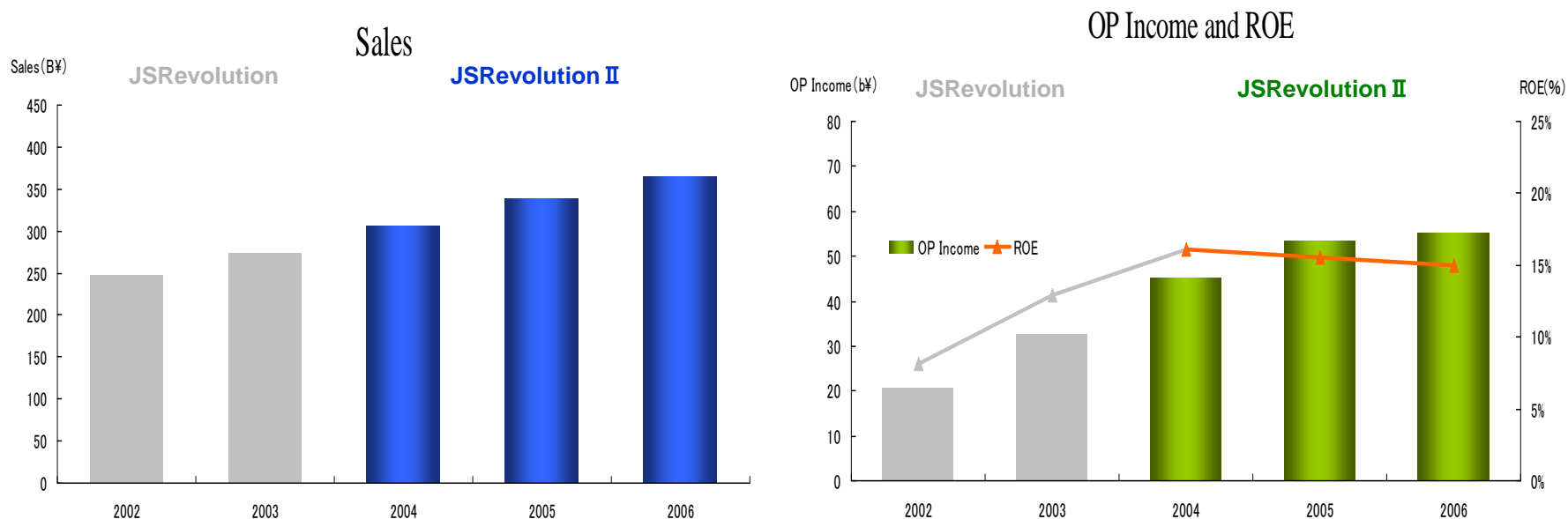
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JSRevolution II Review

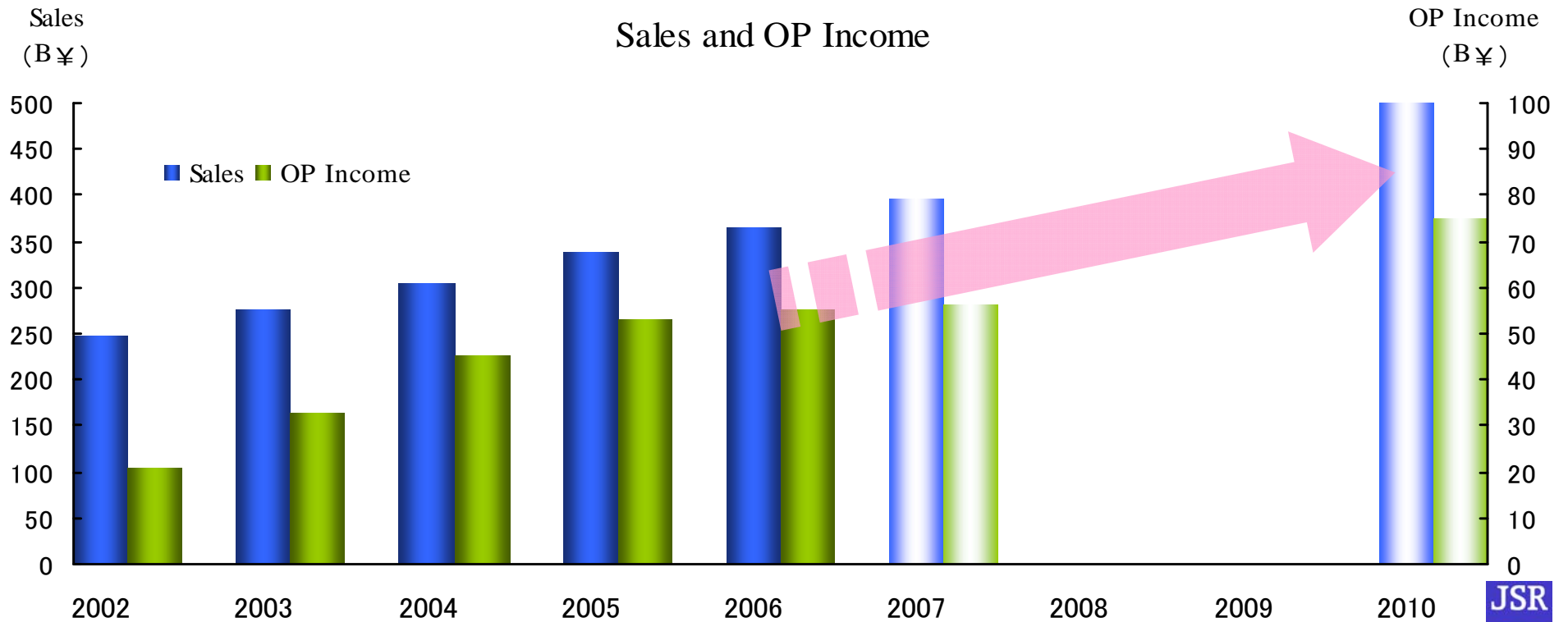
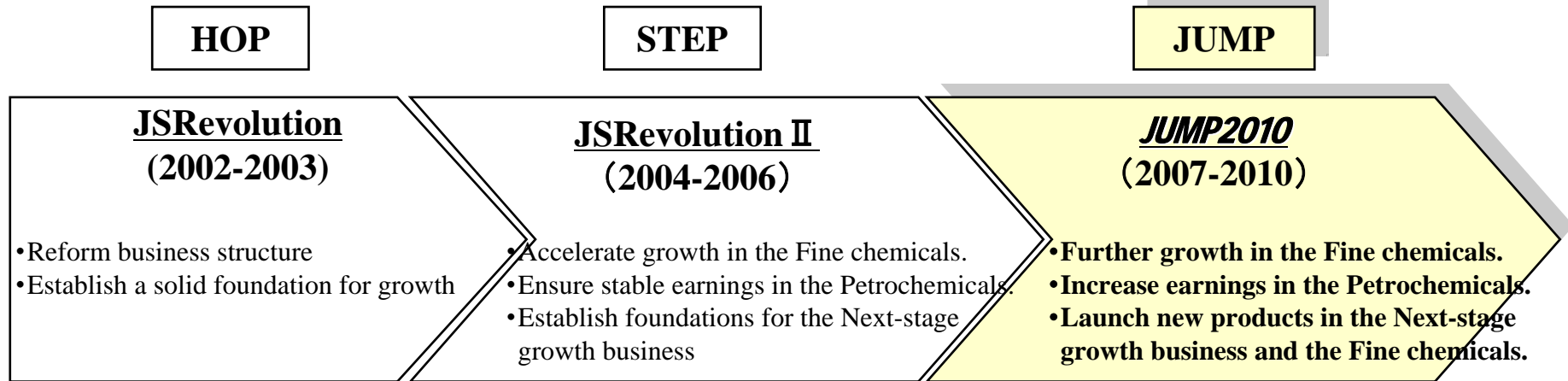
Objectives

- Accelerate growth in the Fine chemicals and others
- Ensure stable earnings in the Petrochemicals
- Establish foundations in the Next-stage growth business



	Original Targets for 2006	2006 Actual	
Sales	Over ¥330bn	¥365.8bn	Achieved
OP Income	Over ¥50bn	¥55.2bn	Achieved
ROE	Over 14%	15.0%	Achieved
Share of Sales for Fine Chemicals and Others	Over 50%	43.9%	Not Achieved

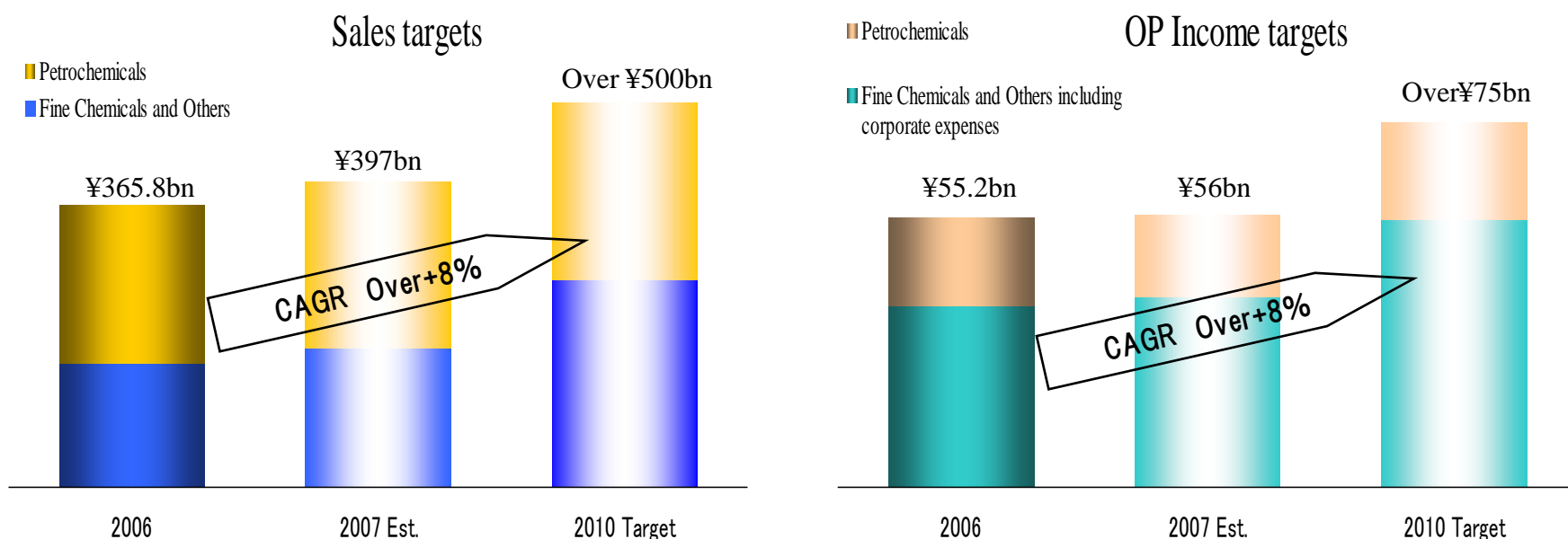
The Role of JUMP 2010



Performance Targets

Achieve targets by expanding existing businesses and initiating new businesses

	2006 Actual	2007 Est.	2010 Target	CAGR (2006-2010)
Sales	¥365.8bn	¥397bn	Over ¥500bn	Over +8%
OP Income	¥55.2bn	¥56bn	Over ¥75bn	Over +8%
OP margin	15.1%	14.1%	Over 15%	—
ROE	15.0%	14%	Over 14%	—



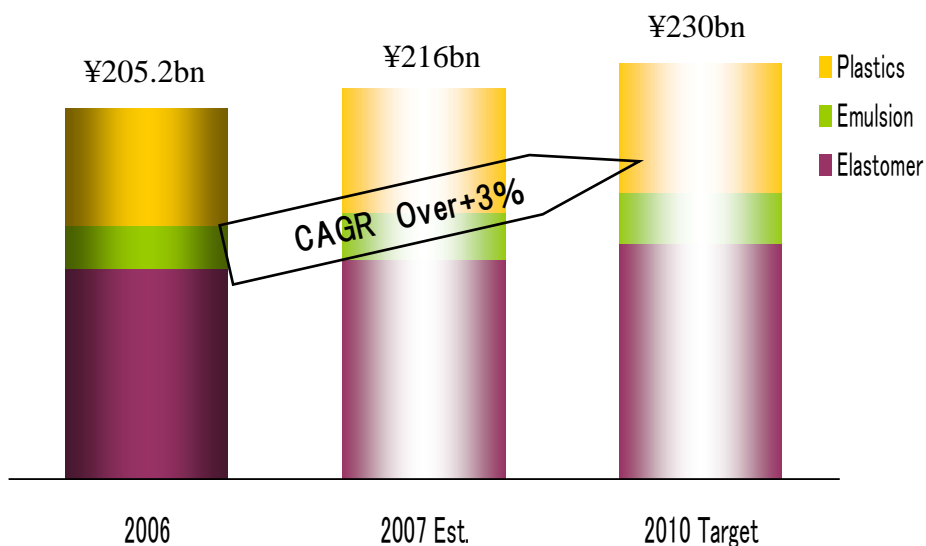
Petrochemicals

Fundamental Strategy

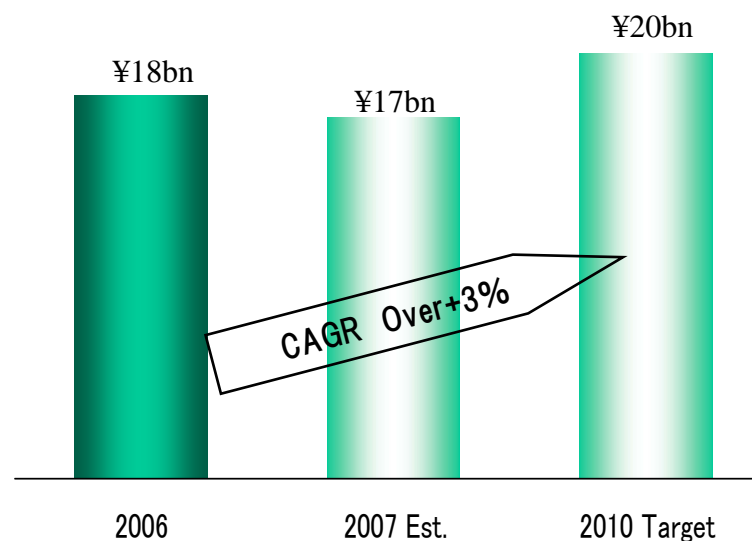
Increase productivity, reduce cost and focus on value added products

	2006 Actual	2007 Est.	2010 Target	CAGR 2006-2010
Sales	¥205.2bn	¥216bn	Over ¥230bn	Over +3%

Sales targets



OP Income targets



Fine Chemicals and Other Products

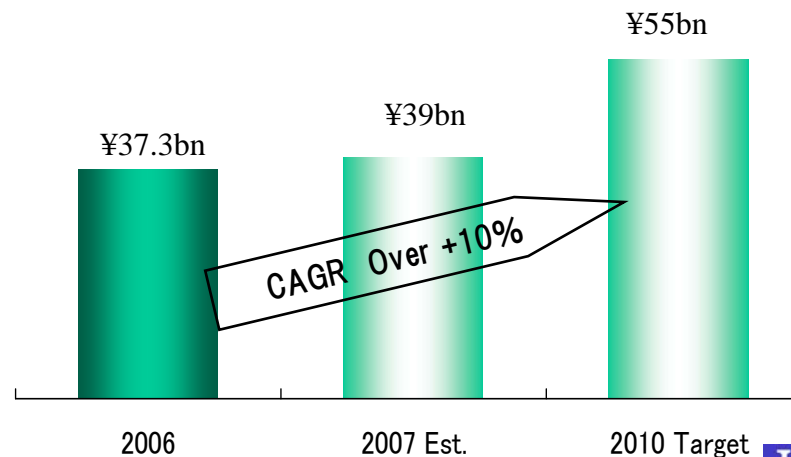
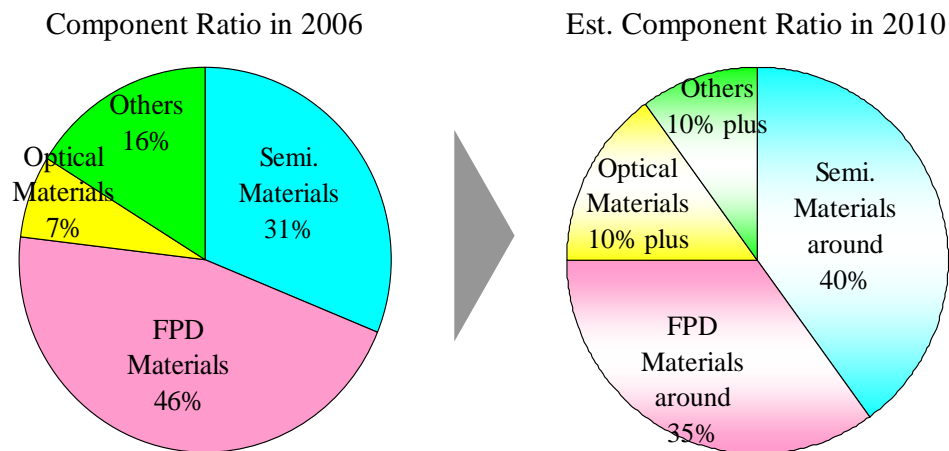
Fundamental Strategy

- Expand sales of existing materials and launch new products in the peripheral areas
- Reduce cost to sustain profitability

	2006 Actual	2007 Est.	2010 Target	CAGR 2006-2010
Sales	¥160.6bn	¥181bn	Over ¥270bn	Over+14%

Sales component ratio

OP Income targets
(including corporate expenses)



Fine Chemicals : Semiconductor Materials ①

Fundamental Strategy

Expand sales of existing materials and launch new materials.

【Key issues】

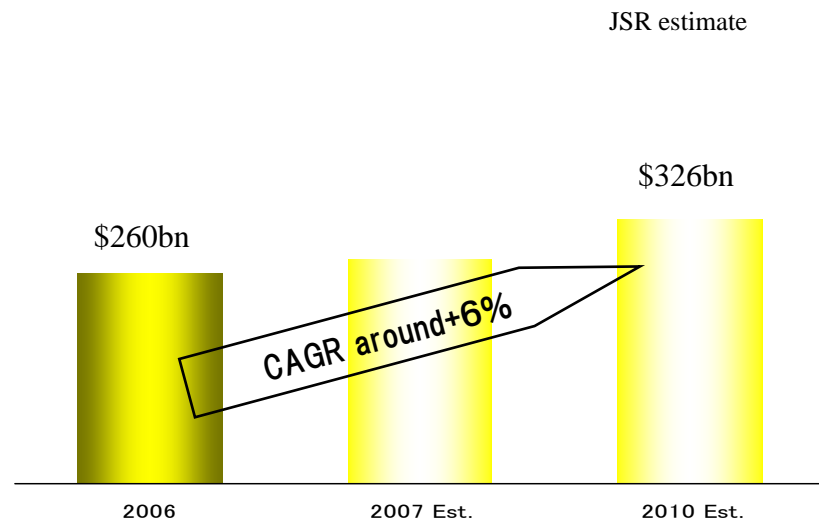
■ Expand sales of existing materials

- **Photo resists** : Expand market share by differentiation of technologies and pursue high quality
- **CMP** : Increase sales from existing users and acquire new users

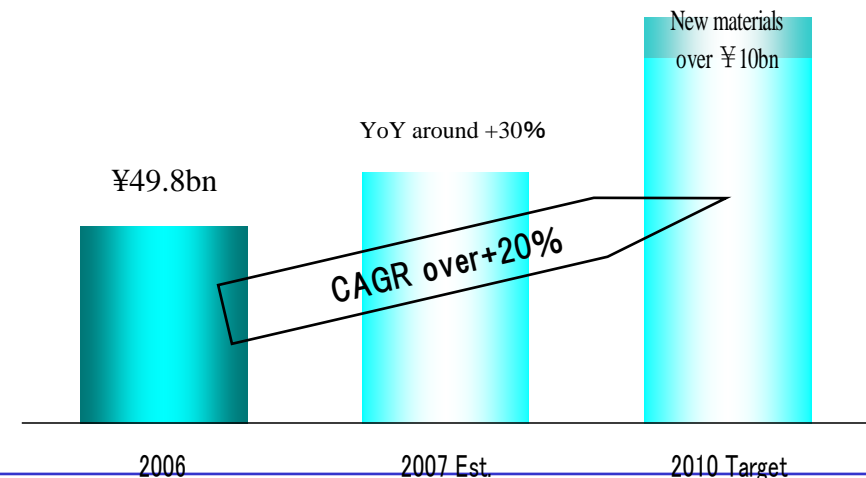
■ Launch new materials

- **Utilize relationships with users and create new business opportunities in response to miniaturization and diversification of engineering technology**

Semiconductor market forecast



Sales targets of Semiconductor materials



Fine Chemicals : Semiconductor Materials ②

【Business Development of New Materials】

	Lithography Materials	CMP Materials	Interconnect Materials	Packaging Materials	Others
Existing Materials	g/i photo resist KrF photo resist Dry ArF photo resist Top coat for immersion ArF photo resist for immersion Multi layer materials etc.	BM slurry Cu slurry CMP pad etc.		Thick film photo resist Photosensitive dielectric film etc.	
New Materials	High refractive index solution for immersion	New products utilized in fields other than the wafer process	Spin-on Low-k and related materials	SiP materials	CMOS image sensor materials

Sales target for the new materials in 2010 Over ¥10 Billion Yen

Fine Chemicals : FPD Materials

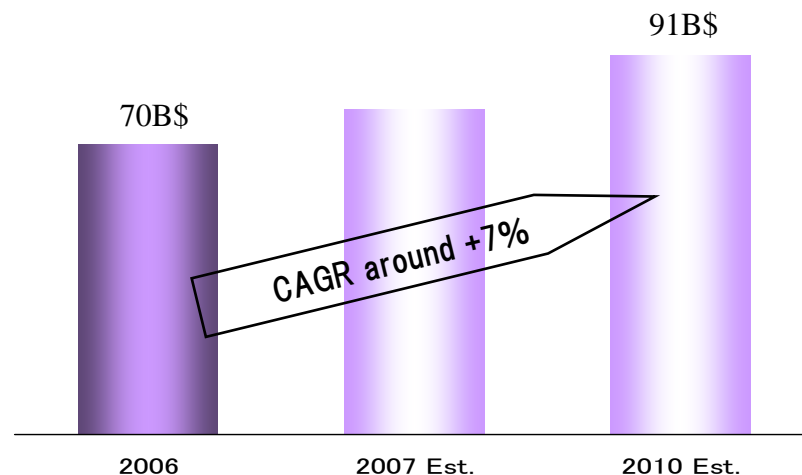
Fundamental Strategy

Increase sales and sustain profitability by improving product quality and strengthening our response capability to price decline

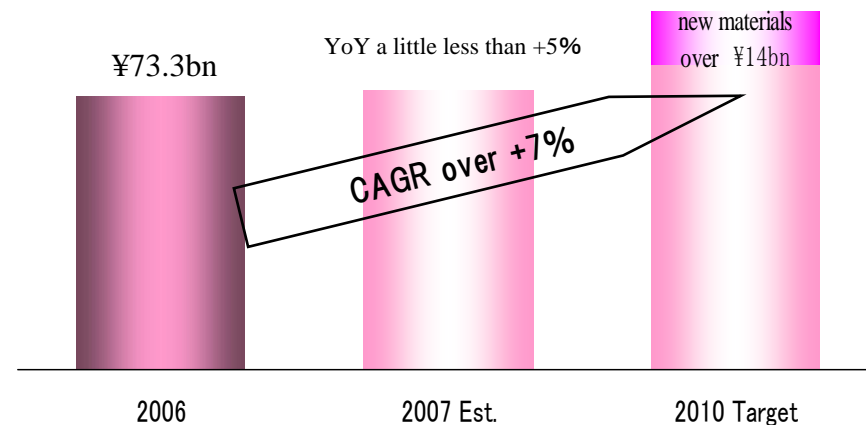
【Key issues】

- Expand differentiated products by responding to trends in HD TVs and new manufacturing processes
- Launch new FPD materials in response to trends in high-definition technology
- Develop flexible display materials
- Utilize subsidiaries in Korea and Taiwan to provide swift solutions to users
- Reduce costs to maintain profitability

TFTLCD panel market forecast



Sales targets of FPD materials



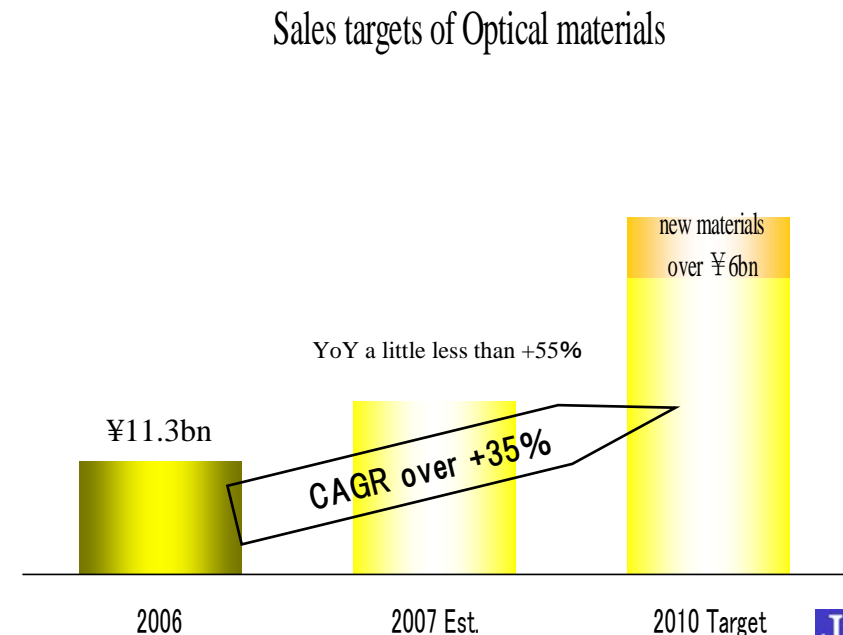
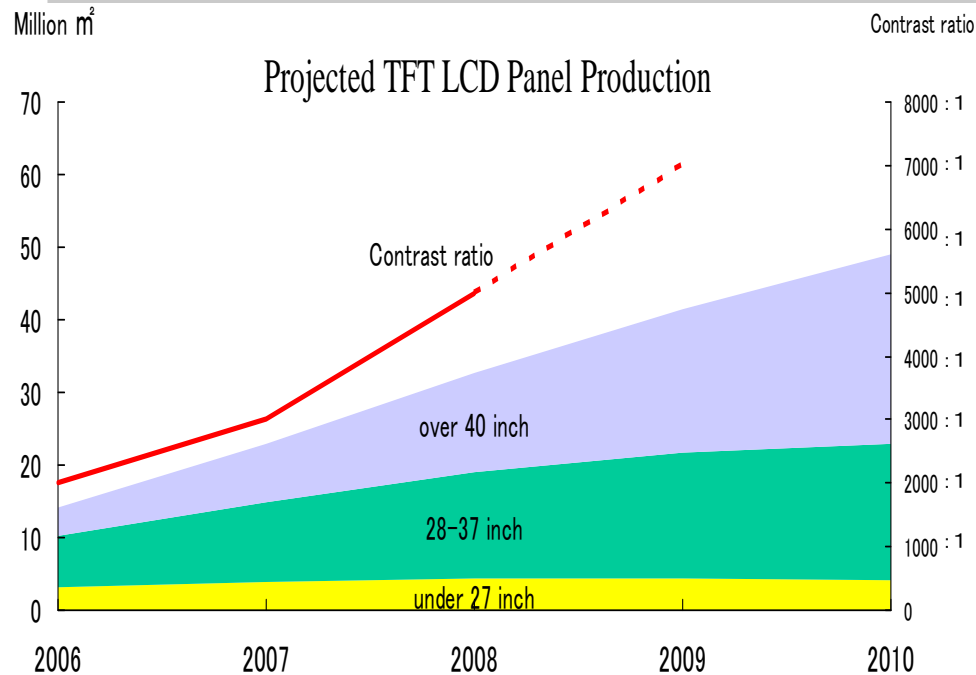
Fine Chemicals : Optical Materials

Fundamental Strategy

Develop and increase our products for high definition TVs

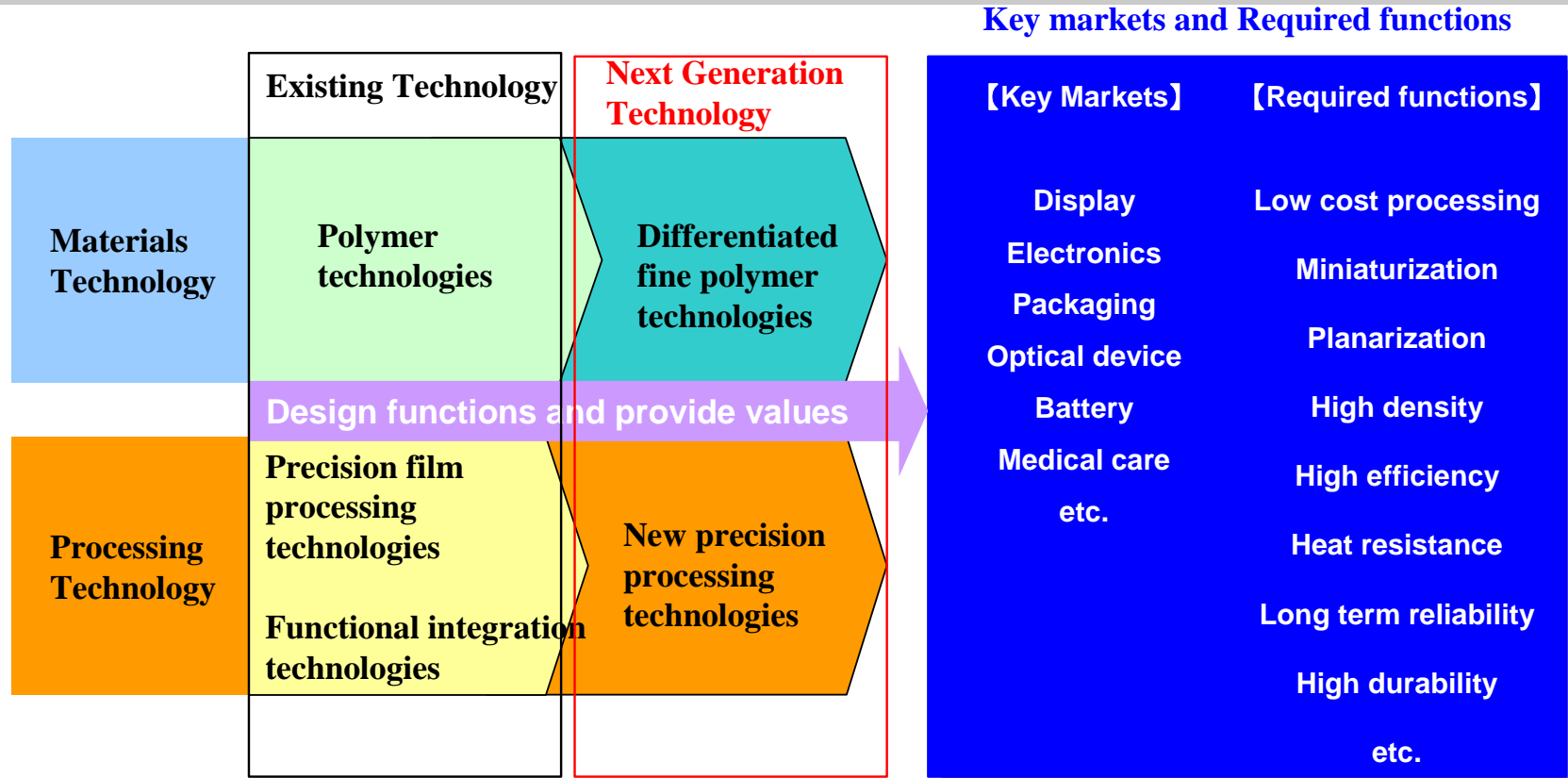
【Key issues】

- **Retardation film, Functional coating :**
Expand sales of high-performance products by concentrating of R&D resources
- **Increase sales of new materials including protective films**
- **Improve earnings by promoting cost reduction efforts**



Next-Stage Growth Business

Create new businesses by synergy from competitive materials and processing technology



Sales target in 2010 Over 20 Billion Yen

Sales Targets of New Products

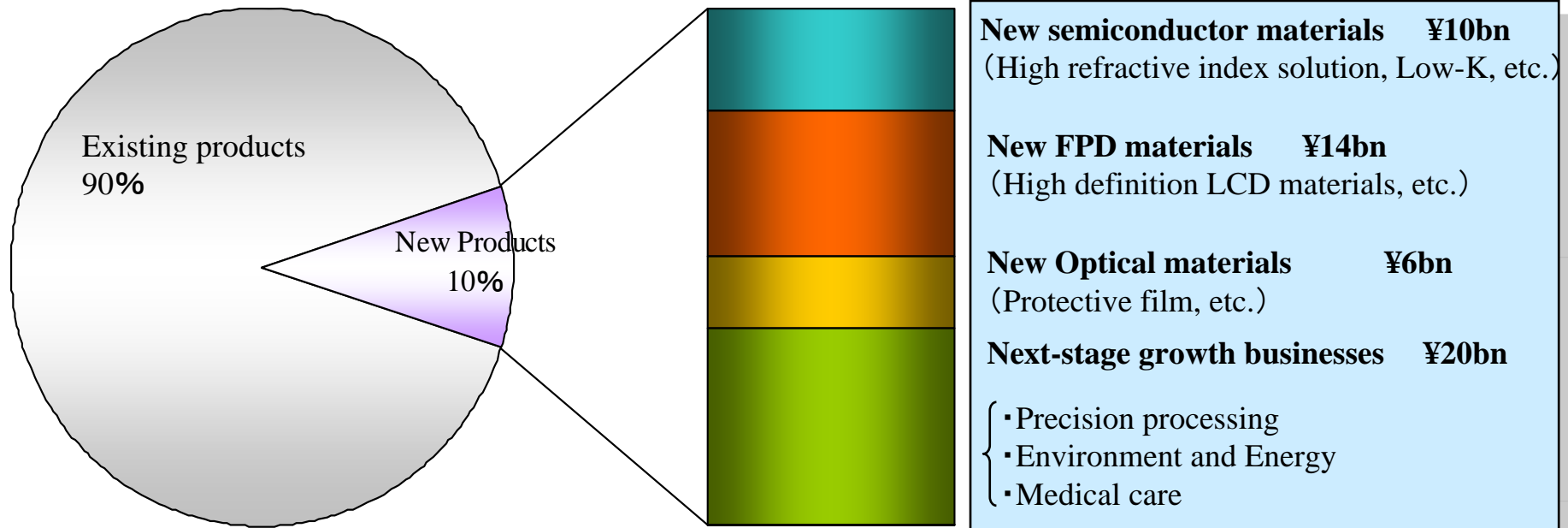
Sales target for the new products in 2010

We aim to achieve over 50 billion yen, 10% of total sales in 2010

Sales target in 2010

Over ¥500bn

Total Over ¥50bn



Cost Cutting Plan “E-100 Projects”

Cost cutting activities <E-100 projects>

“Efficiency 100%” project for complete elimination of loss and 100% use of raw materials to produce products.

Period 2007~2010

Amount 28 billion yen

(*Accumulated amounts compared to 2006)
Petrochemicals : ¥6bn, Fine Chemicals : ¥22bn

Target Total supply chain including procurement, manufacturing and logistics.

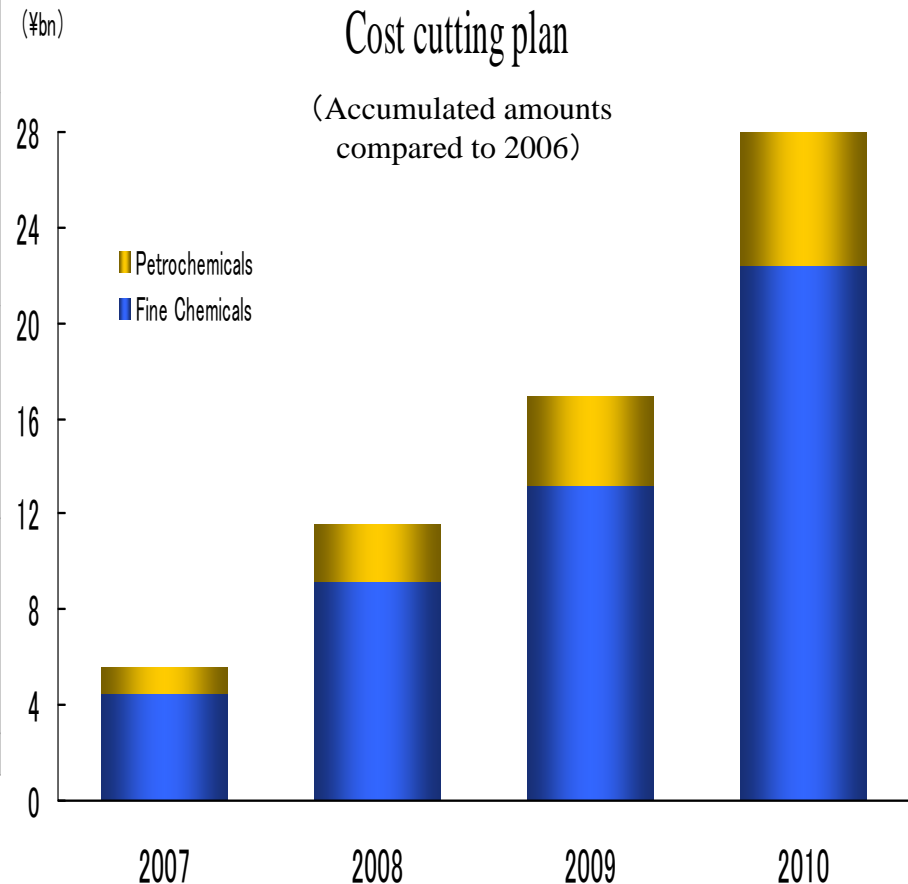
Activities

- Improve process
- Raise product yield rate
- Utilize low-cost raw materials etc.

(Ref.) Achievement of previous cost cutting activities

Period 2004~2006

Achievement ¥19.7 bn (Accumulated amounts compared to 2003)
(Petrochemicals : ¥8.1bn, Fine Chemicals : ¥11.6bn)



Summary

As an advanced chemical company in 2015, we expand earnings for existing businesses and launch new products in the next-stage growth businesses and the fine chemicals.

