

Consolidated Business Results for 1st half of FY 2007

October 24, 2006

Name of listed company: JSR Corporation

Stock Exchange: Tokyo and Osaka, Japan

Code #4185

Head Office: Tokyo, Japan

(URL <http://www.jsr.co.jp>)

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Date of board meeting for announcement of the interim business results: October 24, 2006

Application of U.S. accounting standard: N/A

1. Consolidated Business Results for 1st half of FY2006 (April 1, 2006 to September 30, 2006)

(1) Consolidated Operating Results (Figures are rounded down to the nearest million.)

	Net sales		Operating income		Current income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1st half, FY2007	179,030	10.6	27,490	10.6	27,547	10.3
1st half, FY2006	161,826	10.4	24,861	19.8	24,968	18.8
Full FY2006	338,159	10.7	53,357	17.7	52,980	20.2

	Net income		Net income per share		Net income per share after latent share adjustment	
	Millions of Yen	%	Yen		Yen	
1st half, FY2007	17,287	13.6	68.23		68.21	
1st half, FY2006	15,224	9.9	59.88		59.88	
Full FY2006	30,554	10.9	119.63		-	

Note: Equity in earnings of affiliated companies: 861 million yen for 1st half of FY2007; 812 million yen for 1st half of FY2006; 1,718 million yen for full FY2006

Average no. of shares (consolidated): 253,388,581 shares for 1st half of FY2007; 254,225,749 shares for 1st half of FY2006; 254,224,491 shares for full FY2006

Change in accounting method: N/A

% for net sales, operating income, current income, net incomes implies the rate of increase/decrease year-on-year.

(2) Consolidated Financial Position

	Total assets		Shareholders' equity		Shareholders' equity per total assets	Shareholder's equity per share
	Millions of Yen		Millions of Yen		%	Yen
1st half, FY2007	400,147		225,006		55.2	892.09
1st half, FY2006	343,036		197,729		57.6	777.78
Full FY2006	381,096		212,750		55.8	836.31

Note: No. of shares issued at term end (Consolidated): 252,224,141 shares for 1st half of FY2007; 254,224,371 for 1st half of FY2006, 254,222,103 shares for full FY2006

(3) Consolidated Statement of Cash Flows

	Cash flows from operating activities		Cash flows from investment activities		Cash flows from financing activities		Cash and cash equivalent at end of year	
	Millions of Yen		Millions of Yen		Millions of Yen		Millions of Yen	
1st half, FY2007	19,139		13,668		9,575		56,828	
1st half, FY2006	13,021		6,935		1,231		51,678	
Full FY2006	44,881		26,015		5,160		60,845	

(4) Scope of consolidation and application of Equity Method

Consolidated subsidiaries: 26; non-consolidated subsidiaries to which Equity Method is not applicable: 0;

Affiliates to which Equity Method is applicable: 4

(5) Change in scope of consolidation and application of Equity Method

Consolidated subsidiaries added: 0, excluded: 0; Affiliates to which Equity Method is applicable, added: 0, excluded:

2. Forecast Results for FY 2007 (April 1, 2006 to March 31, 2007)

	Net sales		Operating income		Current income		Net income	
	Millions of Yen		Millions of Yen		Millions of Yen		Millions of Yen	
Full FY2007	375,000		57,000		57,000		35,500	

Reference: Forecast net income per share for full FY2007: 140.75 yen

* Since the above forecast is prepared based on judgements from information currently available, it includes a variety of uncertain factors.

Actual business results may differ from the above forecast figures, depending on the economic status of the market surrounding the company.

2 . Consolidated Balance Sheet for 1st half of FY2007

(Unit: Millions of Yen)

	March FY2006 (As of March 31, 2006)	1st Half March FY2007 (As of Sep. 30, 2006)	Increase/decrease	1st Half March FY2006 (As of Sep. 30, 2005)
Assets				
Current assets	(231,065)	(247,135)	(16,070)	(208,427)
Cash and deposits	25,520	17,248	8,272	22,209
Notes and accounts receivable	78,315	92,635	14,319	72,744
Marketable securities	35,355	39,773	4,418	29,499
Inventories	60,186	65,387	5,200	58,547
Deferred tax assets	4,528	4,522	6	4,422
Other current assets	27,303	27,660	357	21,122
Allowance for bad debt	145	92	52	118
Non-current assets	(150,031)	(153,011)	(2,979)	(134,608)
Tangible assets	92,011	95,321	3,309	86,084
Intangible assets	6,130	5,963	166	3,253
Investment and other non-current assets	51,889	51,726	162	45,271
Investment securities	44,545	42,063	2,481	39,447
Others	7,512	9,832	2,319	5,990
Allowance for doubtful accounts	168	169	1	166
Total assets	381,096	400,147	19,050	343,036
Liabilities				
Current liabilities	(138,654)	(149,505)	(10,851)	(107,633)
Notes and accounts payable	78,462	82,975	4,512	64,366
Short-term loan payable	19,277	17,711	1,566	18,793
Long-term debt due within one year	10,000	10,000	-	-
Other current liabilities	30,913	38,818	7,904	24,473
Non-current liabilities	(25,735)	(25,634)	(100)	(34,065)
Bonds payable	-	-	-	10,000
Long-term loans payable	1,607	1,660	53	3,487
Reserve for retirement benefits	13,921	14,865	943	14,400
Allowance for environmental expenses	3,093	3,093	-	-
Other current liabilities	7,112	6,015	1,097	6,177
Total liabilities	164,389	175,140	10,751	141,699
Minority interests	3,827	-	-	3,607
Shareholders' equity				
Common stock	(23,320)	(-)	(-)	(23,320)
Additional paid-in capital	(25,179)	(-)	(-)	(25,179)
Retained earnings	(155,433)	(-)	(-)	(142,644)
Difference from securities revaluation	(11,151)	(-)	(-)	(9,683)
Account for exchange rate adjustments	(564)	(-)	(-)	(207)
Treasury stock	(2,898)	(-)	(-)	(2,891)
Total shareholders' equity	212,750	-	-	197,729
Total liabilities, minority interests, and shareholder's equity.	381,096	-	-	343,036
Net assets				
Shareholders' equity	-	(210,244)	-	-
Common stock	-	23,320	-	-
Additional paid-in capital	-	25,179	-	-
Retained earnings	-	170,033	-	-
Treasury stock	-	8,288	-	-
Adjustments for valuation, foreign currency translation and others	-	(10,534)	-	-
Difference from securities revaluation	-	9,913	-	-
Account for exchange rate	-	620	-	-
Stock acquisition right	-	(17)	-	-
Minority interests	-	(4,210)	-	-
Total net assets	-	225,006	-	-
Total liabilities and total net assets	-	400,147	-	-

3. Consolidated Income Statement for 1st half of FY2007

(Unit: Millions of Yen)

	1st Half of March FY2006 (April 1, 2005 to Sep. 30, 2005)	1st Half of March FY2007 (April 1, 2006 to Sep. 30, 2006)	Increase/decrease	March FY2006 (April 1, 2005 to March 31, 2006)
Sales	161,826	179,030	17,204	338,159
Cost of sales	109,638	123,420	13,782	230,011
Gross profit on sales	52,187	55,610	3,422	108,148
General sales and administrative expenses	27,326	28,119	793	54,790
Operating income	24,861	27,490	2,628	53,357
Non-operating income	(2,766)	(2,786)	(20)	(5,272)
Interest and dividend income	379	513	134	635
Investment income according to equity method	812	861	49	1,718
Other non-operating income	1,574	1,411	162	2,918
Non-operating expenses	(2,659)	(2,729)	(69)	(5,649)
Interest charges	202	199	2	420
Other non-operating expenses	2,457	2,530	72	5,229
Current income	24,968	27,547	2,579	52,980
Extraordinary income	(30)	(-)	(30)	(30)
Gains on sale of non-current assets	30	-	30	30
Extraordinary losses	(579)	(475)	(104)	(3,973)
Loss from disposal of asbestos	-	431	431	-
Loss from disposal of non-current assets	-	43	43	299
Loss on allowance for environmental expenses	-	-	-	3,093
Impairment losses	579	-	-	579
Net income before tax for the current quarter	24,418	27,071	2,653	49,037
Corporate tax, resident tax and enterprise tax	9,310	9,446	136	19,222
Adjustment of income tax	521	3	517	1,486
Minority interests	406	341	64	747
Net income for the current quarter	15,224	17,287	2,063	30,554