

Consolidated Business Results for 1st Quarter of FY 2007

July 24, 2006

Name of listed company: JSR Corporation

Stock Exchange: Tokyo and Osaka, Japan

Code #: 4185

Head Office: Tokyo, Japan

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1. Statements regarding preparation of quarterly financial information, etc:

- Is a simple method used for financial processing?
Yes. We calculate tax expenses by a simple method.
- Has the financial process changed recently from a consolidated fiscal year?
No.
- Has the scope for consolidation and application of the Equity Laws been changed?
No.

2. Consolidated business and financial position for 1st quarter of March 2007 term

(April 1, 2006 to June 30, 2006)

(1). Progress of consolidated business results (Note: Figures are rounded down to the nearest million.)

	Net sales		Operating income		Current income		Net income for current quarter	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1 st quarter March FY2007	87,723	9.6	12,549	3.8	12,812	1.8	8,135	7.7
1 st quarter March FY2006	80,072	11.0	12,095	13.0	12,584	11.4	7,555	5.7
(Reference) March FY2006	338,159	10.7	53,357	17.7	52,980	20.2	30,554	10.9
	80,072	11.0	12,095	13.0	12,584	11.4	7,555	5.7

	Net income per share (for current quarter)	Net income per share after latent share adjustment
1 st quarter March FY2007	Yen 32.03	Yen 32.02
1 st quarter March FY2006	29.72	29.72
(Reference) March FY2006	119.63	119.61

(Note) % for net sale, operating income, etc. shows the rate of increase/decrease year-on-year.

(2). Consolidated Financial Position

	Total assets	Shareholders' equity	Shareholders' equity per total assets	Shareholders' equity per share
	Millions of Yen	Millions of Yen	%	Yen
1 st quarter March FY2007	369,990	218,452	57.9	862.31
1 st quarter March FY2006	324,551	187,547	57.8	737.72
(Reference) March FY2006	381,096	212,750	55.8	836.31

3. Consolidated statement of cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Cash and cash equivalent at year end
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
1 st quarter March FY2007	2,261	7,319	5,973	49,861
1 st quarter March FY2006	2,057	4,214	1,974	42,680
(Reference) March FY2006	44,881	26,015	5,160	60,845

Attachment

1 . Consolidated Income Statement

(Unit: Millions of Yen)

	FY 2006 First Quarter (Apr 1, 2005 ~ Jun 30, 2005)	FY2007 First Quarter (Apr 1, 2006 ~ Jun 30, 2006)	Increase/decrease	FY 2006 (April 1, 2005 ~ Mar 31, 2006)
Sales	80,072	87,723	7,650	338,159
Cost of sales	54,167	61,010	6,842	230,011
Gross profit on sales	25,904	26,712	808	108,148
Selling, general, and administrative expenses	13,808	14,163	354	54,790
Operating income	12,095	12,549	453	53,357
Nonoperating income	(1,309)	(1,423)	(114)	(5,272)
Interest and dividend income	283	322	38	635
Investment income according to equity method	414	551	137	1,718
Other nonoperating income	611	549	61	2,918
Nonoperating expenses	(820)	(1,160)	(340)	(5,649)
Interest charges	116	104	11	420
Other nonoperating expenses	704	1,055	351	5,229
Current income	12,584	12,812	227	52,980
Extraordinary income	(-)	(-)	(-)	(30)
Gains on sales of noncurrent assets	-	-	-	30
Extraordinary losses	(579)	(-)	(579)	(3,973)
Reserve for environmental measures	-	-	-	3,093
Loss on depletion	579	-	579	579
Loss on disposal of noncurrent assets	-	-	-	299
Net income before tax	12,004	12,812	807	49,037
Income, resident, and enterprise tax	4,197	4,617	419	19,222
Adjustment of income tax	146	113	260	1,486
Minority interests	105	173	67	747
Net income	7,555	8,135	580	30,554

2 . Consolidated Balance Sheet

(Unit: Millions of Yen)

	FY 2006 (as of Mar 31, 2006)	FY 2007 First Quarter (as of Jun 30, 2006)	Increase/decrease	FY 2006 First Quarter (as of Jun 30, 2005)
(Assets)				
Current assets				
1 Cash	25,520	27,888	2,367	22,819
2 Notes and accounts receivable	78,315	77,686	628	71,236
3 Marketable securities	35,355	21,993	13,361	19,998
4 Inventories	60,186	62,379	2,192	56,627
5 Deferred tax assets	4,528	4,678	150	4,081
6 Other current assets	27,303	26,001	1,302	18,716
Allowance for doubtful account	145	144	0	185
Total current assets	231,065	220,483	10,581	193,294
Noncurrent assets				
1 Tangible assets	92,011	93,573	1,561	87,016
2 Intangible assets	6,130	5,923	207	3,404
3 Investment and other assets	51,889	50,009	1,879	40,836
(1) Investment marketable securities	44,545	41,725	2,820	35,310
(2) Deferred tax assets	2,177	2,372	195	1,575
(3) Other investments	5,334	6,075	740	4,200
Allowance for doubtful account	168	163	5	250
Total noncurrent assets	150,031	149,506	524	131,256
Total assets	381,096	369,990	11,106	324,551
(Liabilities)				
Current liabilities				
1 Notes and account payable	78,462	76,783	1,679	62,693
2 Short-term loans payable	19,277	18,296	981	18,027
3 Bonds to be redeemed within a year	10,000	10,000	-	-
4 Other current liabilities	30,913	21,533	9,380	20,304
Total current liabilities	138,654	126,612	12,041	101,026
Noncurrent liabilities				
1 Bonds payable	-	-	-	10,000
2 Long-term loans payable	1,607	1,649	42	3,521
3 Reserve for retirement benefits	13,921	14,018	97	14,888
4 Reserve for directors' retirement benefits	25	4	21	66
5 Reserve for environmental measures	3,093	3,093	0	-
6 Other noncurrent liabilities	7,087	6,159	928	4,219
Total noncurrent liabilities	25,735	24,925	809	32,695
Total liabilities	164,389	151,538	12,850	133,721
Minority interests	3,957	-	-	3,282
(Shareholder's equity)				
Common stock				
Common stock	23,320	-	-	23,320
Additional paid-in capital	25,179	-	-	25,179
Retained earnings	155,433	-	-	134,975
Difference for securities revaluation	11,151	-	-	7,235
Account for exchange rate adjustments	564	-	-	275
Treasury stock	2,898	-	-	2,887
Total shareholder's equity	212,750	-	-	187,547
Total liabilities, minority interests, and shareholder's equity	381,096	-	-	324,551
(Net assets)				
Shareholders' equity				
1 Common stock	-	23,320	-	-
2 Additional paid-in capital	-	25,179	-	-
3 Retained earnings	-	160,886	-	-
4 Treasury stock	-	5,280	-	-
Total shareholders' equity	-	204,105	-	-
Securities revaluation and exchange rate adjustments	-	10,296	-	-
Minority interests	-	4,050	-	-
Total net assets	-	218,452	-	-
Total liabilities and total net assets	-	369,990	-	-

3 . Consolidated Statement of Cash Flows

(Unit: Millions of Yen)

	FY 2006 First Quarter (Apr 1, 2005 ~ Jun 30, 2005)	FY 2007 First Quarter (Apr 1, 2006 ~ Jun 30, 2006)	Increase/decrease	FY 2006 (Apr 1, 2005 ~ Mar 31, 2006)
Cash flows from operating activities				
Net income before taxes	12,004	12,812	807	49,037
Depreciation	3,657	4,195	537	16,206
Increase of notes and accounts receivable	961	714	1,675	7,515
Increase of inventories	4,330	2,162	2,168	7,330
Increase of notes and accounts payable	195	1,765	1,960	15,042
Others	1,347	1,770	3,118	3,029
Sub total	11,913	12,024	110	62,410
Income tax	10,009	11,110	1,101	18,371
Others	152	1,347	1,194	841
Cash flows from operating activities	2,057	2,261	203	44,881
Cash flows from investment activities				
Expenses for acquisition of noncurrent assets	3,851	6,512	2,661	24,844
Others	363	807	443	1,171
Cash flows from investment activities	4,214	7,319	3,104	26,015
Cash flows from financing activities				
Decrease of loans payable	75	964	889	600
Dividends paid	1,778	2,541	762	4,319
Expenses for acquisition of treasury stocks	2	2,382	2,379	12
Others	118	85	33	227
Cash flows from financing activities	1,974	5,973	3,999	5,160
Conversion difference of cash and cash equivalents	61	47	13	389
Increase/decrease of cash and cash equivalents	4,069	10,983	6,914	14,095
Opening balance of cash and cash equivalents	46,474	60,845	14,371	46,474
Increase of cash and cash equivalents due to change in consolidation scope	276	-	276	276
Closing balance of cash and cash equivalents	42,680	49,861	7,181	60,845

(Note for consolidated statement of cash flows)

(Unit: Millions of Yen)

1 . Relationship between the closing balance of cash and cash equivalents and items stated in the consolidated balance sheet

Cash	22,819	27,888	25,520
Time deposits saved over three months	137	20	30
Cash equivalents of marketable securities	19,998	21,993	35,355
Cash and cash equivalents	42,680	49,861	60,845