

Consolidated Business Results for 1st Quarter of FY 2008

July 23, 2007

Name of listed company: JSR Corporation

Stock Exchange: Tokyo and Osaka, Japan

Code #: 4185

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1. Consolidated business and financial position for 1st quarter of March 2008 term (April 1, 2007 to June 30, 2007)

(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	%
1st quarter March FY2008	96,969	10.5	13,274	5.8	14,645	14.3	8,763	7.7
1st quarter March FY2007	87,723	9.6	12,549	3.8	12,812	1.8	8,135	7.7
(Reference) March FY2007	365,831	—	55,242	—	54,719	—	33,654	—

	Net income per share (for current quarter)	Net income per share after latent share adjustment
	Yen	Yen
1st quarter March FY2008	34.75	34.73
1st quarter March FY2007	32.03	32.02
(Reference) March FY2007	133.10	133.06

(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
1st quarter March FY2008	414,641	246,636	58.3	958.53
1st quarter March FY2007	369,990	218,452	57.9	846.33
(Reference) March FY2007	408,949	239,986	57.5	932.47

(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
1st quarter March FY2008	Millions of Yen 4,902	Millions of Yen △6,907	Millions of Yen △3,036	Millions of Yen 49,375
1st quarter March FY2007	2,261	△7,319	△5,973	49,861
(Reference) March FY2006	46,471	△30,363	△23,776	53,655

2. Others:

(1)Change of reporting entities (Change of condition of significant consolidated subsidiaries)

None

(2)Adoption of simplified accounting and reporting policies

Applicable

(3)Change of significant accounting and reporting policies for consolidated financial statements

None

(For reference)

Position of Quarterly Non-consolidated Operating Results (April 1, 2007 to June 30, 2007)

(1) Progress in Non-consolidated Operating Results

(Note) Figures are rounded down to the nearest million.

	Net sales		Operating income		Current income		Net income of the current quarter	
	Millions of Yen	%	Millions of Yen	%	Millions of yen	%	Millions of yen	%
1 st quarter March FY2008	68,648	16.3	11,855	31.9	14,433	31.1	9,527	24.5
1 st quarter March FY2007	59,032	7.9	8,986	△11.9	11,012	△4.4	7,650	△2.5
(Reference) March FY2007	249,812	—	42,889	—	45,596	—	29,216	—

	Net income per share for this quarter	Net income per share after latent share adjustment
	Yen	Yen
1 st Quarter March FY2008	37.78	37.76
1 st Quarter March FY2007	30.12	30.11
(Reference) March FY2007	115.55	115.51

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

(2) Changes in Non-consolidated Financial Position

	Total assets	Shareholders' equity	Shareholder's equity per total assets	Shareholder's equity per share
	Millions of Yen	Millions of Yen	%	Yen
1 st Quarter March FY2008	356,070	216,676	60.8	858.70
1 st Quarter March FY2007	318,615	192,111	60.3	758.34
(Reference) March FY2007	348,731	208,189	59.7	825.15

2. Consolidated Balance Sheet for 1st quarter of FY2008

(Unit: Millions of Yen)

	March FY2007 As of March 31, 2007	1st Quarter March FY2008 As of June 30, 2007	Increase/decrease	Increase/ decrease (%)	1st Quarter March FY2007 As of June 30, 2007
Assets					
Current assets	(249,238)	(248,922)	(△ 316)	(△ 0.1)	(220,483)
Cash and deposits	15,586	16,206	619	4.0	27,888
Notes and accounts receivable	93,340	97,832	4,491	4.8	77,686
Marketable securities	38,418	33,518	△ 4,899	△ 12.8	21,993
Inventories	67,220	69,253	2,032	3.0	62,379
Deferred tax assets	5,073	5,460	387	7.6	4,678
Accounts receivable	24,691	22,428	△ 2,262	△ 9.2	19,585
Other current assets	5,004	4,323	△ 680	△ 13.6	6,415
Allowance for doubtful accounts	△ 97	△ 101	△ 4	△ 4.3	△ 144
Non-current assets	(159,810)	(165,718)	(6,008)	(3.8)	(149,506)
Tangible assets	98,182	104,402	6,220	6.3	93,573
Buildings and structures	29,206	30,440	1,234	4.2	27,817
Machinery, equipments and vehicles	36,971	38,662	1,690	4.6	38,890
Land	16,957	16,948	△ 9	△ 0.1	17,038
Construction in progress	7,580	10,386	2,806	37.0	2,448
Other tangible assets	7,466	7,963	496	6.7	7,378
Intangible assets	5,712	6,384	672	11.8	5,923
Investment and other non-current assets	55,815	54,931	△ 883	△ 1.6	50,009
Investment securities	44,306	47,537	3,230	7.3	41,725
Long-term loans receivable	4,726	712	△ 4,013	△ 84.9	3,569
Deferred tax assets	2,462	2,891	428	17.4	2,372
Other intangible assets	4,505	3,974	△ 531	△ 11.8	2,505
Allowance for doubtful accounts	△ 185	△ 184	1	△ 0.8	△ 163
Total assets	408,949	414,641	5,692	1.4	369,990

(Unit: Millions of Yen)

	March FY2007 (As of March 31, 2007)	1st Quarter March FY2008 (As of June 30, 2007)	Increase/decrease	Increase/ decrease (%)	1st Quarter March FY2007 (As of June 30, 2006)
Liabilities					
Current liabilities	(142,100)	(139,110)	(△ 2,989)	(△ 2.1)	(126,612)
Notes and accounts payable	87,952	86,725	△ 1,226	△ 1.4	76,783
Short-term loan payable	15,523	16,622	1,098	7.1	18,296
Bonds to be redeemed within one year	—	—	—	—	10,000
Income taxes payable	10,794	5,960	△ 4,833	△ 44.8	4,412
Other current liabilities	27,828	29,801	1,972	7.1	17,120
Non-current liabilities	(26,862)	(28,894)	(2,031)	(7.6)	(24,925)
Long-term loans payable	2,745	2,738	△ 6	△ 0.2	1,649
Reserve for retirement benefits	14,782	14,893	111	0.8	14,018
Allowance for environmental expenses	3,294	3,294	—	—	3,093
Deferred tax liabilities	3,290	4,878	1,587	48.2	3,592
Other current liabilities	2,750	3,089	339	12.4	2,571
Total liabilities	168,962	168,004	△ 957	△ 0.6	151,538
Net assets					
Shareholders' equity	(223,573)	(228,259)	(4,686)	(2.1)	(204,105)
Common stock	23,320	23,320	—	—	23,320
Additional paid-in capital	25,179	25,179	—	—	25,179
Retained earnings	183,374	188,062	4,688	2.6	160,886
Treasury stock	△ 8,299	△ 8,302	△ 2	0.0	△ 5,280
Valuation and translation adjustments	(11,612)	(13,499)	(1,886)	(16.2)	(10,296)
Unrealized gains on securities, net of taxes	10,087	12,044	1,956	19.4	9,593
Foreign currency translation adjustments	1,525	1,454	△ 70	△ 4.6	702
Subscription rights to shares	(70)	(96)	(26)	(37.5)	(—)
Minority interests	(4,729)	(4,780)	(51)	(1.1)	(4,050)
Total net assets	239,986	246,636	6,649	2.8	218,452
Total liabilities and total net assets	408,949	414,641	5,692	1.4	369,990

3.Consolidated Income Statement

(Unit:Millions of Yen)

	1st Quarter of March FY2007 (April 1, 2006 to June 30, 2006)	1st Quarter of March FY2008 (April 1, 2007 to June 30, 2007)	Increase/ decrease	Increase/ decrease (%)	March FY2007 (April 1, 2006 to March 31, 2007)
Sales	87,723	96,969	9,245	10.5	365,831
Cost of sales	61,010	68,467	7,456	12.2	252,752
Gross profit on sales	26,712	28,502	1,789	6.7	113,078
General sales and administrative expenses	14,163	15,227	1,064	7.5	57,835
Operating income	12,549	13,274	725	5.8	55,242
Non-operating income	(1,423)	(2,387)	(964)	(67.7)	(5,434)
Interest and dividend income	322	517	195	60.6	1,030
Investment income according to equity method	551	406	△ 145	△ 26.4	1,438
Other non-operating income	549	1,464	914	166.2	2,965
Non-operating expenses	(1,160)	(1,017)	(△ 143)	(△ 12.4)	(5,958)
Interest charges	104	79	△ 25	△ 24.3	398
Other non-operating expenses	1,055	937	△ 118	△ 11.2	5,559
Current income	12,812	14,645	1,832	14.3	54,719
Extraordinary income	(-)	(-)	(-)	(-)	(227)
Gains on sale of non-current assets	-	-	-	-	227
Extraordinary losses	(-)	(204)	(204)	(-)	(1,505)
Impairment losses of fixed assets	-	204	204	-	843
Loss from disposal of asbestos	-	-	-	-	460
Loss on allowance for environmental expenses	-	-	-	-	201
Net income before tax for the current quarter	12,812	14,441	1,628	12.7	53,440
Corporate tax, resident tax and enterprise tax	4,617	5,889	1,272	27.6	20,127
Adjustment of income tax	△ 113	△ 468	△ 355	312.1	△ 1,136
Minority interests	173	256	83	48.1	794
Net income for the current quarter	8,135	8,763	628	7.7	33,654